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# SOCIAL SECURITY AND WELFARE PROPOSALS

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## HEARINGS BEFORE THE COMMITTEE ON WAYS AND MEANS HOUSE OF REPRESENTATIVES NINETY-FIRST CONGRESS FIRST SESSION ON THE SUBJECT OF SOCIAL SECURITY AND WELFARE PROPOSALS

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OCTOBER 15, 16, 21, 22, 23, 24, 27, 28, 30, 31, NOVEMBER 3, 4, 5,  
6, 7, 10, 12, AND 13, 1969

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**Part 2 of 7**  
(October 21, 1969)

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Printed for the use of the Committee on Ways and Means



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**Part 2 of 7**  
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# SOCIAL SECURITY AND WELFARE PROPOSALS

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TUESDAY, OCTOBER 21, 1969

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON WAYS AND MEANS,  
*Washington, D.C.*

The committee met at 10 a.m., pursuant to notice, in the committee room, Longworth House Office Building, Hon. Hale Boggs presiding.

Mr. BOGGS. The committee will come to order.

Mr. Secretary, we are very happy to welcome you and your associates back to the committee.

Chairman Mills is unavoidably delayed today, but he is most anxious that we proceed with the hearings.

It is my understanding that you had completed your main statement but that there was some additional information that you would like to give the committee prior to the time for questioning. Is that correct?

**STATEMENT OF HON. ROBERT H. FINCH, SECRETARY OF HEALTH, EDUCATION, AND WELFARE; ACCCOMPANIED BY HON. ROBERT M. BALL, COMMISSIONER OF SOCIAL SECURITY; HON. MARY E. SWITZER, ADMINISTRATOR, SOCIAL AND REHABILITATION SERVICE; HON. ARTHUR E. HESS, DEPUTY COMMISSIONER OF SOCIAL SECURITY; HON. ROBERT E. PATRICELLI, DEPUTY ASSISTANT SECRETARY; HON. HOWARD A. COHEN, DEPUTY ASSISTANT SECRETARY FOR WELFARE LEGISLATION; HON. CHARLES E. HAWKINS, SPECIAL ASSISTANT TO THE ADMINISTRATOR, SOCIAL AND REHABILITATION SERVICE; HON. ROBERT J. MYERS, CHIEF ACTUARY, SOCIAL SECURITY ADMINISTRATION; HON. JOSEPH MEYERS, DEPUTY ADMINISTRATOR, SOCIAL AND REHABILITATION SERVICE; HON. JULE M. SUGARMAN, ACTING DIRECTOR, OFFICE OF CHILD DEVELOPMENT; AND HON. JEROME M. ROSOW, ASSISTANT SECRETARY FOR POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF LABOR**

SECRETARY FINCH. That is correct, Mr. Chairman.

Mr. BOGGS. We will be very happy to receive the additional information.

SECRETARY FINCH. Would you like me to proceed at this time?

Mr. BOGGS. Yes; go ahead.

Secretary FINCH. If I may, for the purpose of the record, introduce the people accompanying me.

Mr. BOGGS. We would like you to introduce your associates.

Secretary FINCH. To my immediate left Mr. Robert Patricelli; Mr. Howard Cohen; Bob Ball, Commissioner of Social Security.

Mr. BOGGS. I wonder if you will give their titles.

Secretary FINCH. Mr. Patricelli, Deputy Assistant Secretary, Howard Cohen, Deputy Assistant Secretary for Welfare Legislation, Robert Ball, Commissioner of Social Security; Mr. Bob Myers, our Actuary; Mary Switzer, Administrator of the Social and Rehabilitation Service; also Charles Hawkins, special assistant to the Administrator of the Social and Rehabilitation Service; and from the Department of Labor, as they are intimately involved in the manpower aspect of this, Assistant Secretary Rosow.

I am pleased to have an opportunity, Mr. Chairman, to return. I was unable to do much more than give the comprehensive statement of what we regard as an overall strategy of social security, income maintenance, and manpower training in the preliminary statement of last week. But, in reviewing that testimony and the testimony of the Under Secretary which followed, particularly with respect to the family assistance plan, I was forced to the conclusion that we needed to dig more deeply because, in my opinion, we had not made as successful an exposition of this very important, very far reaching, very complex plan as we could.

I think it is extremely important for us at this time to direct our attention to the present system, with all its problems, and consider the vital principles which should be encouraged and those which should be discouraged, and consider what is wrong with the present system. By taking this approach we will develop the conceptual framework in which to discuss what this administration thinks is the soundest, most feasible, and most affordable answer to the problems. We sincerely believe that the proposed new system, the family assistance plan, meets many of the tests by which a new system should be judged.

As the chairman pointed out during last week's sessions, the administration recommends policy; the committee will write the bill. This is the way it is done in our system. And with this proposal, we have presented what we think is a good legislative package.

There are several themes in this family assistance plan, and we think the most critical is the strengthening of families with children. Because this is critical to the stability of our whole society, we have included a number of incentives to make the family unit more solid, and it is very clear indeed, in our opinion, that the current AFDC program has incentives to break down the family unit.

Second, we have developed a package of incentives for people to work and that is the second theme of the family assistance plan; to break the psychological and economic dependency cycle of the poor.

Third, the family assistance plan is also a national answer to a national problem. Therefore, we are building in national standards with regard to eligibility, payments, and administration.

Finally, the family assistance plan is designed to achieve greater equity toward the working poor. No properly conceived welfare system should make it "pay" for someone with low earnings to quit his job and go on relief. Such a system can only result in an individual's throwing in the towel in a society that proclaims itself as providing unlimited opportunity for achievement. The family assistance plan encourages work and will supplement the wages of the working poor so that they will have the pride and financial incentives to become and remain part of the marketplace.

Then we need to develop and expand job training and child care. These are critical components of the plan, because we want to provide job training for those who need it to get a job. We want to provide job improvement opportunities so that those on the lower rungs of the employment ladder can equip themselves for work at a higher rung, and at a higher salary. Mothers who should have a greater opportunity to contribute to the economic machinery of the Nation must have a place where they can leave their children. We will encourage mothers to enter the job market, where they have performed so well in the past; where they have perhaps had their children in child care centers when they were getting their training. They will be able to keep their children in these centers after they have the jobs.

This plan is designed to break the cycle of poverty. In a generation, we think it will have developed contributors to the public treasury, not increase the numbers of those dependent on the contributions of others.

This is not the complete answer to the problem that we have in the welfare area. But we think it is essential at this point, after three decades, that we get structural reform. To clarify these issues and to backstop them, we have a short chart presentation on the family assistance program that I will ask Mr. Patricelli to present to the chairman, and to the committee, if we will be allowed to do so.

Mr. BOGGS. Thank you very much, Mr. Secretary.

Does that complete your statement?

Secretary FINCH. Yes, sir.

Mr. BOGGS. Go right ahead.

Mr. PATRICELLI. Mr. Chairman, and members of the committee, you have copies of these charts before you, but, unfortunately, these were stapled together out of order. We are having some people redo the order and they will have new copies for you as I am talking, but now if you can follow as best you can, I will have the proper order, of course, here in the presentation.

(The charts referred to follow:)



# **WELFARE REFORM CHARTS**



## **1969 LEGISLATIVE RECOMMENDATIONS**

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

**OCTOBER 1969**

(353)

## LEGISLATIVE CHARTS

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# WE MUST MOVE TOWARD A NATIONAL SYSTEM

## 1. THE FEDERAL GOVERNMENT NOW PROVIDES WIDELY VARYING LEVELS OF AID TO POOR CHILDREN

### FEDERAL PAYMENT PER AFDC CHILD IN 1969

- IN ILLINOIS = \$ 22.00 PER MONTH
- IN MISSISSIPPI = \$ 8.50 PER MONTH
- IN NEW YORK = \$ 32.82 PER MONTH

## 2. ELIGIBILITY REQUIREMENTS VARY WIDELY AMONG THE 54 FEDERAL-STATE AFDC PROGRAMS

- NEED STANDARDS<sup>1/</sup> VARY FROM \$144 (NORTH CAROLINA) TO \$419 (ALASKA)
- INCLUSION OF FAMILIES WITH UNEMPLOYED FATHER
- REAL AND PERSONAL PROPERTY THAT CAN BE HELD
- AGE AND SCHOOL ATTENDANCE REQUIREMENTS FOR CHILDREN
- DEFINITIONS OF INCAPACITY AND REQUIRED DURATION
- WAITING PERIODS FOLLOWING ABSENCE OF FATHER AND DEFINITIONS OF ABSENCE
- REQUIREMENTS FOR EMPLOYMENT OF MOTHERS AND OLDER CHILDREN
- DENIAL OF ASSISTANCE IF FAMILY INCLUDES AN EMPLOYABLE MEMBER

<sup>1/</sup> FOR A FAMILY OF FOUR

## HOME AND PERSONAL PROPERTY LIMITATIONS, 1969

State	Value of Home Owned If Allowed <sup>1/</sup>				Personal Property Limits <sup>1/</sup> Per Person (Recipient)				AFDC Per Family
	OAA	AB	APTD	AFDC	OAA	AB	APTD		
Alabama	\$2,500	NS	\$2,500	\$2,500	\$1,000	\$1,200	\$1,000		\$1,000
Alaska	NS	NS	NS	NS	1,500	1,500	1,500		1,500
Arizona	8,000	\$8,000	8,000	8,000	800 <sup>2/</sup>	800 <sup>2/</sup>	400 <sup>2/</sup>		600
Arkansas	\$4,500-\$6,500	\$4,500-\$6,500	\$4,500-\$6,500	\$4,500-\$6,500	500 <sup>2/</sup>	500 <sup>2/</sup>	500 <sup>2/</sup>		1,000
California	NS	NS	NS	5,000	1,200 <sup>2/</sup>	1,500	1,200		600
Colorado	NS	NS	NS	NS	1,000 <sup>2/</sup>	1,000 <sup>2/</sup>	1,000 <sup>2/</sup>		2,000
Connecticut	NS	NS	NS	NS	1,550	1,550	1,550		250
Delaware	NS	NS	NS	NS	300	1,500 <sup>2/</sup>	None		None
Florida	NS	NS	NS	NS	1,350 <sup>2/</sup>	1,350 <sup>2/</sup>	1,350 <sup>2/</sup>		1,200
Georgia	NS	NS	NS	NS	800	800	800		800
Hawaii	10,000	10,000	10,000	10,000	2/	2/	2/		2/
Idaho	NS	NS	NS	NS	500	500	500		500
Illinois	NS	NS	NS	NS	400 <sup>2/</sup>	400 <sup>2/</sup>	400 <sup>2/</sup>		2/
Indiana	NS	NS	NS	NS	350	350	350		600
Iowa	Used	NS	NS	NS	950 <sup>2/</sup>	1,000 <sup>2/</sup>	1,000 <sup>2/</sup>		None
Kansas					500 <sup>2/</sup>	500 <sup>2/</sup>	500 <sup>2/</sup>		1,000
	<sup>2/</sup> Mod. value + \$750-----				2,000 <sup>2/</sup>	2,000 <sup>2/</sup>	2,000 <sup>2/</sup>		2,500 <sup>2/</sup>
Kentucky	NS	NS	NS	NS	1,750 <sup>2/</sup>	1,750 <sup>2/</sup>	1,750 <sup>2/</sup>		2,000
Louisiana	Used	Used	NS	NS	500 <sup>2/</sup>	500 <sup>2/</sup>	500 <sup>2/</sup>		800
Maine	NS	NS	NS	NS	300	300	300		300
Maryland	NS	NS	NS	NS	1,900 <sup>2/</sup>	2,000	500		1,000
Massachusetts	NS	NS	NS	NS	1,750 <sup>2/</sup>	1,750 <sup>2/</sup>	1,750 <sup>2/</sup>		1,000
Michigan	Used	Used	Used	Used	800 <sup>2/</sup>	2,000 <sup>2/</sup>	800 <sup>2/</sup>		1,500
Minnesota	10,000	NS	10,000	7,500	500 <sup>2/</sup>	500 <sup>2/</sup>	500 <sup>2/</sup>		800
Mississippi	2,500	2,500	2,500	2,500	1,000 <sup>2/</sup>	1,500 <sup>2/</sup>	1,000 <sup>2/</sup>		1,500
Missouri	1/	NS	1/	1/	500 <sup>2/</sup>	500 <sup>2/</sup>	500 <sup>2/</sup>		600
Montana	3,000	3,000	3,000	3,000	500	500	500		600
Nebraska	NS	NS	NS	NS	1,750 <sup>2/</sup>	1,750 <sup>2/</sup>	1,750 <sup>2/</sup>		2,500 <sup>2/</sup>
Nevada	6,650	NS	-	6,650	750 <sup>2/</sup>	1,500	-		500 <sup>2/</sup>
New Hampshire	1,500	1,500	1,500	3,000	300 <sup>2/</sup>	300 <sup>2/</sup>	300 <sup>2/</sup>		500
New Jersey	NS	NS	NS	NS	3/	3/	3/		3/
New Mexico	Used	Used	Used	Used	1,200	1,200	1,200		1,200
New York	NS	NS	NS	NS	250	250	250		2/
North Carolina	NS	NS	NS	NS	500 <sup>2/</sup>	500 <sup>2/</sup>	500 <sup>2/</sup>		800
North Dakota	NS	NS	NS	NS	1,000	1,000	1,000		1,300
Ohio	12,000	NS	NS	NS	300	800 <sup>2/</sup>	800 <sup>2/</sup>		1,300 <sup>2/</sup>
Oklahoma	8,000	8,000	8,000	8,000	350 <sup>2/</sup>	350 <sup>2/</sup>	350 <sup>2/</sup>		600
Oregon	NS	NS	NS	NS	250 <sup>2/</sup>	500 <sup>2/</sup>	250 <sup>2/</sup>		500
Pennsylvania	NS	5,000	NS	NS	500	1,500	500		500
Rhode Island	NS	NS	NS	NS	No cash	No cash	No cash		No cash
South Carolina	NS	NS	NS	NS	750 <sup>2/</sup>	750 <sup>2/</sup>	750 <sup>2/</sup>		1,000
South Dakota	NS	NS	NS	NS	2,000 <sup>2/</sup>	2,000 <sup>2/</sup>	2,000 <sup>2/</sup>		2,300 <sup>2/</sup>
Tennessee	6,000	6,000	6,000	6,000	500 <sup>2/</sup>	500 <sup>2/</sup>	500 <sup>2/</sup>		500 <sup>2/</sup>
Texas	NS	NS	Used	Used	1,800 <sup>2/</sup>	1,800 <sup>2/</sup>	1,800 <sup>2/</sup>		3,000
Utah	NS	NS	NS	NS	900 <sup>2/</sup>	900 <sup>2/</sup>	900 <sup>2/</sup>		1,800
Vermont	NS	NS	NS	NS	900 <sup>2/</sup>	900 <sup>2/</sup>	900 <sup>2/</sup>		1,800
Virginia	NS	NS	NS	NS	400	400	400		400
Washington	NS	NS	NS	NS	550 <sup>2/</sup>	550 <sup>2/</sup>	550 <sup>2/</sup>		1,050
West Virginia	NS	NS	NS	NS	600	600	600		600
Wisconsin	NS	NS	NS	NS	1,750	1,750	1,500		500
Wyoming	3,000	3,000	3,000	3,000	500	650	650		650

NS = Not specified.

1/ Real + personal limited to \$10,500.

2/ Limits on specific items.

3/ No limits; must liquidate within six months.

4/ In some States larger allowances are made for couples with families.

5/ In some States the allowance varies by number of children.

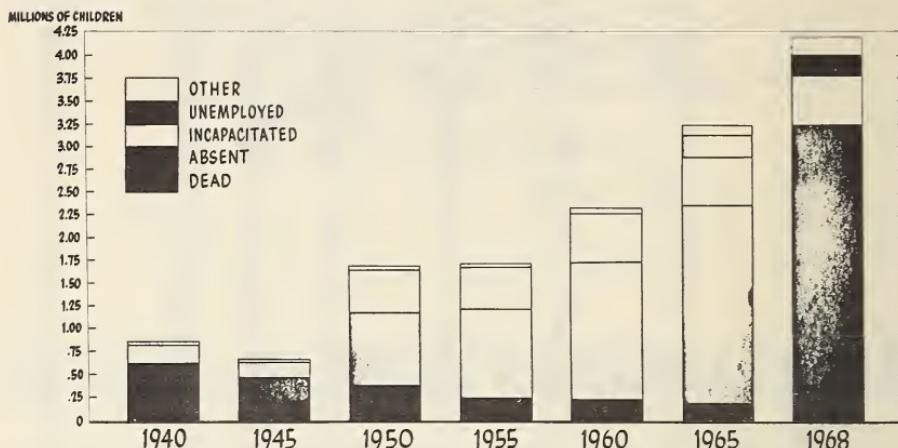
6/ Amount for one month's need.

7/ May hold "trust funds of an infant up to \$1,000; more if personal injury award."

8/ In using these figures it should be noted that some relate to "market value", some to "assessed value", and some to "equity".

9/ The figures are the sum of the State's maximum on "liquid assets" or "cash reserves" and any maximum on "cash or loan value of life insurance" specified by the State. (It does not include amounts of face value of life insurance which some States set a maximum on. Nor does it include the value of nonincome-producing real property other than the home which many States allow as part of the reserves.)

## NUMBER OF CHILDREN RECEIVING AFDC BY STATUS OF FATHER, 1940-1968



## THE PRESENT WELFARE SYSTEM DISCRIMINATES AGAINST THOSE WHO WORK

1. PERCENTAGE OF POOR RECEIVING ANY PUBLIC INCOME MAINTENANCE PAYMENTS \*

WORKING POOR = 22%  
NON-WORKING POOR = 81%

2. THERE ARE OVER ONE MILLION FAMILIES HEADED BY FATHERS WHO ARE WORKING FULL TIME AND EARNING LESS THAN THE AVERAGE AFDC-UF PAYMENT FOR FAMILIES WITHOUT OTHER INCOME

\* 1965 ESTIMATE

# GOALS OF THE FAMILY ASSISTANCE PLAN

## 1. NATIONAL STANDARDS

*PAYMENT FLOOR*

*ELIGIBILITY REQUIREMENTS*

*MOVE TOWARD NATIONAL ADMINISTRATION*

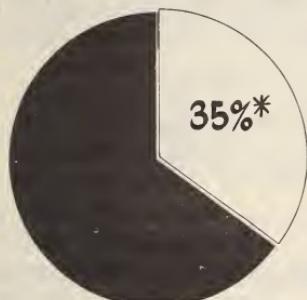
## 2. EQUITY FOR THE WORKING POOR

## 3. WORK INCENTIVES

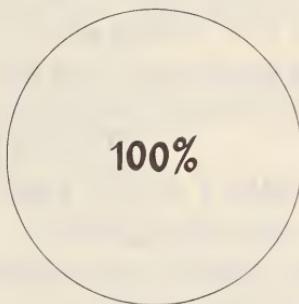
## 4. FAMILY STABILITY INCENTIVES

## 5. EXPANDED JOB TRAINING AND CHILD CARE

## PERCENTAGE OF POOR CHILDREN COVERED BY AFDC AND BY FAMILY ASSISTANCE



AFDC



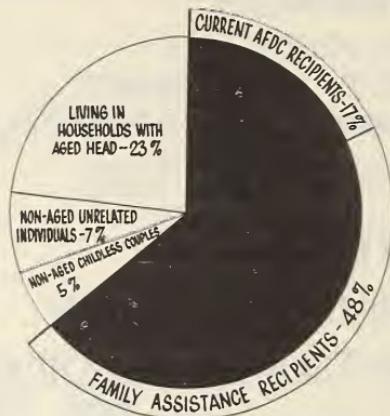
FAMILY ASSISTANCE

TOTAL POOR CHILDREN-10.7 MILLION

\*1967 ESTIMATE

# PROFILE OF POVERTY

## Individuals in Poor Households (1966)



## WORK INCENTIVES FOR THE WORKING POOR

### I. UNDER AFDC

EXAMPLE: ASSUME FAMILY OF FIVE IN STATE WHICH PAYS SUCH A FAMILY \$3000 AND HAS AN UF PROGRAM, AND FATHER EARNING \$2000 IN FULL-TIME EMPLOYMENT

FAMILY INCOME IF FATHER QUILTS WORK	= \$3000
FAMILY INCOME IF FATHER CONTINUES TO WORK	= \$2000
INCENTIVE TO QUIT	= \$1000

### 2. UNDER FAMILY ASSISTANCE

EXAMPLE: SAME ASSUMPTIONS

FAMILY INCOME IF FATHER CONTINUES TO WORK	= \$3260	$(\$2000 \text{ WAGES} + \$1260 \text{ FAP})$
FAMILY INCOME IF FATHER QUILTS	= \$3000	$(\$1900 \text{ FAP} + \$1100 \text{ SUPPLEMENT})$
INCENTIVE TO WORK	= \$ 260	

### 3. INCENTIVE TO WORK:

FAMILY ASSISTANCE OVER AFDC = \$1260

## **INCENTIVES UNDER AFDC BREAK UP THE FAMILY**

## **1. FAMILIES HEADED BY UNEMPLOYED FATHERS -- NOT COVERED IN 29 JURISDICTIONS**

EXAMPLE: ASSUME FAMILY OF FIVE IN STATE WHICH PAYS \$2,500 UNDER AFDC  
TO A FAMILY OF FOUR AND WHICH HAS NO UF PROGRAM

**FAMILY INCOME IF FATHER LEAVES = \$2,500 (AFDC)**

**FAMILY INCOME IF FATHER STAYS = 0**

**FAMILY BREAKUP INCENTIVE = \$2,500**

## **2. FAMILIES HEADED BY FATHERS EMPLOYED FULL-TIME-NOT COVERED BY AFDC IN ANY STATE**

EXAMPLE : ASSUME FATHER EARNING \$2,000, SAME FAMILY AND SAME STATE

FAMILY INCOME IF FATHER LEAVES = \$2,500

**FAMILY INCOME IF FATHER STAYS = 2,000**

**FAMILY BREAKUP INCENTIVE = \$ 500**

# **INCENTIVES UNDER FAMILY ASSISTANCE KEEP THE FAMILY TOGETHER**

## 1. FAMILIES HEADED BY UNEMPLOYED FATHERS

**EXAMPLE: ASSUME FAMILY OF FIVE IN STATE WHICH PAYS \$3000 TO A FAMILY OF FIVE AND \$2500 TO A FAMILY OF FOUR**

FAMILY INCOME IF FATHER STAYS = \$3000 (\$1900 FAP + \$1100 SUPPLEMENT)

FAMILY INCOME IF FATHER LEAVES = \$2500 (\$1600 FAP + \$ 900 SUPPLEMENT)

**FAMILY TOGETHERNESS INCENTIVE = \$ 500**

## 2. FAMILIES HEADED BY FATHERS EMPLOYED FULL TIME

**EXAMPLE: ASSUME FATHER EARNING \$2000, SAME FAMILY AND SAME STATE**

FAMILY INCOME IF FATHER STAYS = \$3260 (\$2000 WAGES + \$1260 FAP)

FAMILY INCOME IF FATHER LEAVES = \$2500 (\$1600 FAP + \$900 SUPPLEMENT)

## **FAMILY TOGETHERNESS INCENTIVE = \$ 700**

**MR. PATRICELLI.** The purpose of this brief chart talk is to explain the fundamental principles that we think underlie the family assistance plan and to provide you with some concrete examples of how we think the plan achieves the goals that are listed on this first chart.

Very quickly, the five major goals of the family assistance program are as follows: First, to reach national standards in a national system. There are three types of standards that we are talking about: A national floor under benefits; a set of uniform eligibility requirements; and buttressing those by a move toward national administration at the Federal level.

Second, we believe the system does and has to achieve some greater measure of equity for the working poor. These are principally families headed by men who are working full time.

Third, there is a very heavy emphasis on new work incentives and work requirements in the system.

Fourth, there is a determined effort to build incentives for family stability, keeping the father in the home in the system.

And, fifth, expanded job training and child care to buttress the work incentives and work requirements.

Now, there are certain of these goals that could be achieved by building on the present AFDC program and we don't wish to mislead you about that. You could certainly expand job training and child care by building on AFDC. There are certain things that could be done with regard to work incentives by building on AFDC. For example, the committee could choose to accept the \$60 initial disregard of earnings in lieu of the \$30 disregard that the committee inserted in 1967 and that could be built into the present program. But the rest of this presentation will deal with the two fundamental goals that require throwing away AFDC and starting with a new system.

Certain of these goals, especially the move toward national standards, and, secondly, equity for the working poor, require fundamental structural reform in the public welfare system. They cannot be achieved by building on the present defective AFDC program. So the two goals and the two structural reforms that we would like to emphasize are national standards and the importance of including the working poor.

First, why is it that we feel so strongly about moving towards national standards?

I think that requires some examination of where we are now under AFDC. This first point illustrates the fact that the Federal Government is involved in a system which the Federal Government does not control with regard to the allocation of its own resources to poor children. Because of the nature of the matching formula and the fact that the States control how much benefits shall be paid, the Federal share of that benefit or the Federal payment per AFDC child varies widely from State to State.

A few examples, Illinois, \$22 per month per child; Mississippi, \$8.50 per month per child; New York, about \$33.

So we are in a system where the Federal Government treats children in similar circumstances differently. That is not logical; it is not equitable; and in those States where the benefit levels are very low and the Federal payment levels are low, these kinds of inequitable treatment simply lead to added cost for the Federal Government later on in terms of remedial programs.

Secondly, some examples of how eligibility requirements vary now among the different State AFDC programs. It isn't one program. It is 54 separate AFDC Federal and State systems with at least these eight categories that you see underneath of variances from State to State.

Need standards vary from \$144 in North Carolina—that is for a family of four—per month to \$419. Of course the standard is what a State defines is necessary for this family for a month. It does not relate to what the actual payment is in all cases and the payment levels vary in the same degree of deviation. States include different items in reaching their need standards, different family expenses.

Secondly, only 25 States among the 54 jurisdictions now provide assistance where there is an unemployed father. Most of the jurisdictions do not.

Third, there is a vast panoply of differences with regard to the assets, the real and personal property, that a family may hold. We have broken that out for you in a separate chart. That is also in your booklet. I will not explain it to you, but just want to show you how complex it is. It took some great degree of effort to get it all on one page, but that is what now governs the assets test in the 54 different jurisdictions. It varies tremendously and there is really no logical reason for this wide degree of variation as to what a family may have in terms of assets in one State versus another.

Coming back to the list and running through it quickly, there are different age and school attendance requirements for children built into the different programs. Some States require school attendance for any child under 18. Some States will include children under 21 for coverage in the program if they are going to school. Other States do not include such children.

The definition of incapacity and the required duration of incapacity before the State will pay benefits vary very broadly all the way up to a requirement of complete in-bed incapacity. There are various other eligibility requirements that you can read for yourselves—periods following the absence of the father, requirements as to the employment of mothers and older children under the WIN program, denial of assistance if the family includes an employable member in a few jurisdictions.

We conclude from this kind of survey that there is a degree of disparity that is not borne out by any logical necessity. It results in inequity and discriminatory treatment between families in exactly the same circumstances from State to State. It is exceedingly complex. And thus the first of the major goals of the Family Assistance Plan was to move toward some greater degree of national standards, first, in terms of a national benefit floor for poor persons. As you know, the plan fixes in the statute a level of \$1600 per year for a family of four that qualifies. That is with no other income.

There is a payment floor and along with that payment floor is a restructuring of the Federal participation in the program. There was some talk about this problem last week, as to whether or not family assistance didn't involve an open-ended commitment of the Federal Treasury. Well, in fact, the Federal matching approach under family assistance is to set that \$1600 level at a 100 percent Federal payment in the statute and that specifies the degree of Federal commitment. It is virtually a closing of the end on the appropriation as to benefit levels.

States which will be supplementing above the \$1600 floor, and they are required to do so, do so at 100 percent State expense.

Secondly, in family assistance we do move toward a set of uniform eligibility requirements in terms of assets that a family can have, in terms of definition of who is in a family, in terms of the exclusion from income that come into play in determining whether a family is eligible.

And then, lastly, we move toward, as the committee knows, some degree of national administration. This is particularly important in view not only of the variations in eligibility requirements and treatment that exist in the present programs but because of the variations that occur not from rules or law in the different States but in terms of the different attitudes toward the program, different caseworker attitudes in administration. These range from single differences of opinion between caseworkers all the way up to what seems to be in certain cases a tightening of the screws so as to hold down eligibility and costs in one State at a particular time or another.

If we could move to the next chart, I would like now to discuss the second and last major point that we would like to concentrate on in this presentation. It has to do with the coverage of the working poor. This pie chart is an attempt, somewhat complexly, to show who is being covered under the present federally assisted public assistance programs. This is a breakdown. The whole pie indicates the entire population of the poor categorized by the type of household they are in and this larger segment here, the darker segment, indicates families with children.

The pink segment on the big chart is families headed by an aged person, the two other segments the nonaged single persons—unrelated individuals, and the nonaged childless couples.

Of course, we have a Federal program now for families living in households with an aged head, the old-age assistance program. We have a Federal program, AFDC, which covers some of the families with children. It covers only 17 percent of the entire poverty category and it covers only a portion of the families headed by persons other than full-time working males. It is actually this segment of the chart down here that indicates those families headed by persons other than full-time working males. This many of the families are headed by the so-called working poor, but AFDC covers only 17 percent of the total population and only something under a third of the family population in poverty.

Family assistance is a move away from the categorical system that we now have toward broad coverage of poor families with children. This will include 65 percent of all the poor. It will include, if I could have the next chart, all of the poor children and the families with poor children in the country. AFDC now covers only 35 percent of the poor children in the country. Family assistance is structured in such a way that it will include all of them and the emphasis in this program is admittedly on the families with children. We do not cover the single unrelated persons or the childless couples and so this small slice of the pie will continue to be ineligible for Federal assistance programs.

I think this raises now what is probably the crucial question: Why is it that we are suggesting to the committee that we must cover the working poor, and thereby add 13 million people, roughly, to Federal

assistance caseloads in the name of reform of the public assistance system?

Well, for one thing, the costs and caseloads of the present AFDC program are growing tremendously. By conservative estimates we expect that AFDC itself, unreformed, will cost us another \$2 billion in Federal payments alone by fiscal year 1975. We expect something over a 60-percent increase in caseloads under the present program if something isn't done by fiscal 1975.

So, when we compare that \$2 billion with the \$3 billion we are asking for in new benefits, family assistance costs don't seem so high. But more than just the fact that AFDC is going to cost a lot more, and more than just an attempt to achieve greater coverage for the sake of symmetry to move away from categorical programs, it is our feeling that it is vital to include the working poor, the 13 million, if there is to be a proper program for the 7 million nonworking recipients, and that is at the crux of the matter.

There are three fundamental reasons why we believe the working poor have got to be covered in a reform of the public assistance system.

Briefly, the reasons are equity, work incentives, and family stability incentives.

Could I have the next chart, please?

The present AFDC system, as you know, in no State provides assistance to a working poor family. This is a family headed by a full-time working male. It just excludes working male family heads.

Now, that is a thought that we found grows on you after awhile—how did we get into the situation whereby we are helping people that don't work and yet we are not helping people in equally poor circumstances who do work? These two points give you some idea of the degree of the impact of this inequity now between those who work and don't work.

First, only 22 percent of the working poor are receiving any kind of Federal public income maintenance payments, and that includes social security, unemployment insurance, AFDC, and the like; only 22 percent compared to the figure for the nonworking poor of 81 percent.

Secondly, we are not talking about just a few people among the working poor. Just to give you one example, there are over 1 million families headed by these full-time employed fathers who are earning less than the average AFDC-UC payment for families without other income.

Over 1 million families, roughly 5 million individuals, would be better off if the father was on welfare rather than working. That, of course, breeds all kinds of discontent both among the working poor and the taxpayers and other working people about the present structure of the system.

And, finally, not only is it inequitable, it is atypical that we have a Federal income support program that excludes working people. Other such income support programs, the food stamp program, rent supplements, public housing, medicaid, do not make this distinction between working people and people who are not working and between male-headed families and female-headed families. They are income-tested programs; you are eligible if you are below a certain level in the poverty category, but not AFDC.

So much for the equity argument.

The next chart, please in the center.

The second major proposition that we put to the committee is that coverage for the working poor is necessary to preserve the work incentives for the working poor and here I would like to offer some examples of how the system now works.

Under AFDC there are some 25 States, as I said, that have a program for the unemployed father. Now, if we assume for purposes of the example a family of five—that is, a mother, a father, and three children, and that is the average working poor family—a family of five, in a State where the AFDC-UF benefit is \$3,000 for such a family of five, and where the father is earning \$2,000 in full-time employment, we get the following kinds of consequences. We have picked those numbers in order to pick typical cases. The \$3,000 benefit level for a family of five is rather typical. It is about the California level or the Pennsylvania level or the Oregon level, the Wisconsin level. New York and other States are even greater. \$2,000 as full-time employment is about \$1 an hour. Look what happens to this family under AFDC. If the father quits work, and he gets on the UF program, he gets \$3,000. His family gets \$3,000 from welfare. If he continues to work, he has only his \$2,000 wage. He is not eligible. He is a member of the working poor, ineligible for any kind of public assistance, and he has an incentive to quit his job of \$1,000 in hard economic terms. He is better off being on welfare. Whether he quits or not, it does something to his work motivation to see that he would be better off on welfare.

I might add that not only does this kind of incentive to quit exist for the working poor father; it also exists for the unemployed father now on the welfare rolls who is looking at what is going to happen to him if he gets a full-time job. While he is on welfare, he is getting \$3,000, but if he gets a full-time job that pays him less than the poverty line, say \$2,000, he is less well off and what is the incentive to him to leave the welfare rolls and go into a job?

Now, many people have suggested that one of the structural reform answers to the welfare problem is just to extend the UF program mandatory nationwide. Let's look at what happens in this example if you do that and if you only do that without worrying about the working poor.

Now, there are 25 States where this consequence comes about: If you extend UF nationwide, all the States will present this kind of disincentive to the working poor family whereby the father who is on UF is better off than the working poor father, so extending UF nationwide mandatory cannot give you an answer to this problem.

Coverage of the working poor is necessary to answer that problem. And that is the second example.

In the same case at the same time with the same assumptions, family assistance turns the incentive to quit around into a positive incentive to work at \$260 per year. The net change in the incentive is \$1,260. We have to provide some supplementary assistance to working families in poverty in order not to undermine the incentive to quit for the working poor.

Next chart, please.

Lastly, and now at the end of the presentation, the third really fundamental reason for opting to cover this large category of working poor persons has to do with family stability. I think it is helpful to know the dimensions of this problem and what it is costing us in terms

of dependency and welfare costs in this country. In 1940 only this small pink area on the chart was the percentage of the AFDC families who had absent fathers, absent meaning divorced, separated, deserted, or never married the mother. And look what has happened to that pink area on the chart by 1968. It is now at over 70 percent of the present AFDC caseload. They are there directly as a result of the fact that there isn't a father in the home. It is a colossal number, and it is growing all the time. There can be no adequate welfare reform without dealing with the causal impact of the family break-up problem.

Next chart, please, and we will put the last two charts on together. How does AFDC deal with the matter of family stability?

Under AFDC the financial incentives are such that they work to break up the family. Two examples, again using the same numbers that we used before, and assuming that if the benefit was \$3,000 for a family of five, it would be roughly \$2,500 for a family of four. In the 29 jurisdictions where there is no UF program, if the father stays in the family and he is an unemployed father that family is not eligible for public assistance. If he leaves the family, they get a benefit for four persons of \$2,500. There is a family break-up incentive of \$2,500.

Now let's look at family assistance and how the family assistance plan deals with that example. Again the same assumptions: if the father leaves the family under family assistance, that family would receive \$2,500, which is made up of a \$1,600 Federal payment and a \$900 State supplemental payment under the program. That is if he leaves. But if he stays, because he is counted as an added member of the family, the benefit rises to \$3,000 so that there is an incentive for him to stay in the family of \$500. We have turned it around from a break-up incentive of \$2,500 to a togetherness incentive, if you will, of \$500 for that family.

Now, again, some people say that if you just make the UF plan mandatory nationwide you deal with that problem. Well, that is true. If we just extend the coverage of the unemployed father program nationwide you won't have this situation coming up, but please remember, as I said on the previous chart, if you just do that you are exacerbating the problem with regard to work incentives for the working poor, so it cannot be an adequate answer to just go mandatory on the UF program.

The final example, and this is at the heart of the problem and again goes back to the working poor. For a father employed full-time, under AFDC that family is not covered in any State. If we assume he is earning \$2,000, the numbers work out to show that there is a family break-up incentive of \$500 in that family. By bringing these people, the working poor, over a million and a half families involved in this particular example, into the system and supplementing these persons' wages, we reverse the situation for a family stability or family togetherness incentive of plus \$700, a reversal of \$1,200 between the two cases.

So the case rests rather importantly on the fact that to deal adequately with the 6 to 7 million persons now on AFDC you have to build in the working poor so that they have the work incentives, and so that they have the family stability incentives, in order that they won't become part of the 6 to 7 million. Can we any longer tolerate a system which is so inequitable as to exclude persons who work?

Thank you, Mr. Chairman.

**Mr. BURKE** (presiding). Are there any questions?  
**Mrs. Griffiths?**

**Mrs. GRIFFITHS.** You have placed great emphasis, Mr. Secretary, on the fatherless family and on keeping the father in the family. As a matter of fact, how much of the AFDC load is illegitimate births?

**Secretary FINCH.** I will have to get the specific figure for you, Mrs. Griffiths, but apparently it is a major portion of that chunk on the chart of the present AFDC load. I don't have that figure at my fingertips.

**Mrs. GRIFFITHS.** Well, are the AFDC rates where the father is absent higher in the States without an AFDC unemployed father program or are they lower?

**Secretary FINCH.** Mr. Hawkins here may be able to tell us.

**Mrs. GRIFFITHS.** About half the States cover a family with an unemployed father.

**Secretary FINCH.** Twenty-five.

**Mr. HAWKINS.** Mrs. Griffiths, the 1967 study of AFDC families showed 26.8 percent families in which the father was not married to the mother. This has been increasing somewhat. It was 21 percent in 1961.

**Mrs. GRIFFITHS.** And then can you answer, are the AFDC rates where the father is absent higher in the States without an AFDC unemployed father program or are they lower?

**Mr. HAWKINS.** That detail will be available from tabulations that are being made.

May we supply it for the record?

**Mrs. GRIFFITHS.** Thank you.

(The information referred to follows:)

The 1967 study of AFDC families showed that in the 25 States with an AFDC unemployed father program, 76.5 percent of the families had the father absent. In the other States 70.0 percent of the families receiving AFDC had the father absent.

**Mrs. GRIFFITHS.** But, as a matter of fact, wouldn't some of those States be the big industrial States?

**Mr. HAWKINS.** Yes.

**Mrs. GRIFFITHS.** And that is where the father is absent, so you have a higher—

**Mr. HAWKINS.** Generally that is right.

**Mrs. GRIFFITHS.** Now, how do you expect to reach this problem of illegitimacy under your program, Mr. Secretary?

**Secretary FINCH.** Well, we think you begin with the fundamental thrust of making it more attractive for the husband to stay with the family. In all of this, we are betting on certain patterns of human behavior. We are betting that apart from the usual arguments a husband and wife may have, given all other factors, a husband is probably going to want to stay with his family.

**Mrs. GRIFFITHS.** Let's bet on what is real and that which is real is that the great increase in illegitimate births occurs with the mother between 14 and 19. Are you going to bet on 14-year-olds marrying?

**Secretary FINCH.** No, and I don't honestly believe this would have the effect of encouraging the early marriage.

**Mrs. GRIFFITHS.** Well, is that what you hope, or is it not what you hope?

Do you want them to marry or don't you?

**Secretary FINCH.** We think the services' component, the work that Miss Switzer and her colleagues are doing, the upgraded informational program that almost all of the States and the Federal Government are taking in the population and family planning area will have a salutary impact in this area.

**Mrs. GRIFFITHS.** Will you accept in this bill an amendment that will require any mother of an illegitimate child to remain in school through high school or make her ineligible to draw aid to dependent children?

**Secretary FINCH.** I would have to say that I think that would cut right across the State responsibility in this area. I just don't think this is the vehicle to try to achieve that purpose. We are trying to deal here with maintenance, with the right kind of family stability that would keep that child from ever wanting to leave the house and have an early marriage. I am willing to consider it further. I hadn't had a chance to think it all the way through, but my initial reaction would be a negative one, that this is not the right vehicle.

**Mrs. GRIFFITHS.** If the girl marries the 14-year-old father, are you willing to accept an amendment that the boy must go to school or must seek work or other training?

**Secretary FINCH.** I think if family assistance were passed, they would come under the program. I think that might be possible so that at least the young husband would have the option of either working or going to school as he saw fit.

**Mrs. GRIFFITHS.** What do you have against women, Mr. Finch?

The real truth is that women are the welfare problem. They are the breeders of the welfare problem.

**Secretary FINCH.** That isn't my case.

**Mrs. GRIFFITHS.** Why don't you act really directly toward seeing to it that the young girl has to go to school? As a matter of fact, haven't you removed the day-care program from the States?

**Secretary FINCH.** Well, it is true we are making it far more attractive with this proposal, raising it from 75 to 90 percent Federal dollars, and we are putting in Federal standards with respect to day care, because the failure of day care in great part was contributed to the failure of the WIN program so far as we could tell and we are making a massive effort to upgrade the day-care and child-care centers.

**Mrs. GRIFFITHS.** What happened to the \$22.6 million which was allocated for day care in fiscal 1969?

**Secretary FINCH.** I am afraid we will have to get that information for you.

(The following was supplied for the record:)

Day care needs for the work incentive program were originally estimated at \$22.6 million for fiscal year 1969. This estimate was later revised downward to \$12 million. This revision was necessary because of the following reasons: (1) the program got off to a very slow start. (2) Sixteen States had legal barriers preventing them from entering the program. (3) The system of priority referrals (UF-fathers first, out-of-school youth 16 and over, other essential adults, and voluntary mothers) limited the number of mothers entering the program in the first year.

The sum result of these reasons was that child care needs in the initial year of the program were substantially lower than what had been originally estimated. The balance of the funds, \$10.6 million, was transferred to the Department of Labor for manpower services.

Mrs. GRIFFITHS. Would you be surprised if I said that only \$4 million of it was ever spent?

Secretary FINCH. I would be surprised.

Mrs. GRIFFITHS. Six million lapsed and \$11 million was transferred to the Labor Department for manpower services.

Isn't that really right?

Secretary FINCH. We will have to check that and send you a response.

(The following was supplied for the record :)

The statements are substantially correct; \$10.6 million was transferred to the Department of Labor for manpower services. Of the \$12 million retained by HEW for child care, \$9.7 million was obligated and \$2.3 million lapsed. By the end of fiscal year 1969, States had spent about \$4 million for child care. The balance was carried forward into fiscal year 1970.

Mr. GRIFFITHS. Congress realized it would take money for day care and provided very favorably, 85 percent Federal matching for fiscal 1969 for this purpose. In the 1967 legislation we had estimated that \$35 million would be needed in fiscal 1969 and \$80 million in 1970. What is wrong? Is it lack of appropriations, need for more Federal matching, or uninspired administration?

Secretary FINCH. Probably a combination of all three. We think we have attacked this or have the basis for a rational attack on this in this program by upping it to 90 percent Federal participation, by pulling together on the work incentive side all of the existing on-going programs, which I think will enable the Department of Labor to do its job better, and this expanded day care and child care component within our own department.

Mrs. GRIFFITHS. Do I take it that you believe that the problems in day care are at the State level rather than the Federal?

Secretary FINCH. I think it is a joint obligation and responsibility. It is awfully difficult to separate them.

Mrs. GRIFFITHS. Well, as a matter of fact, we gave the States 90 percent for a highway program and they began immediately. You didn't have any problem at all. But when we talk about 85 percent matching on a day-care program all any appropriations committee in any State has to do is to look at where their money is going in welfare and know that this would be 15 percent very well spent in day care programs, so that, as a matter of fact, it really is the States' problem.

The fact is that they have done nothing, that they have acted without any judgment, without any vision, and without any real consideration, isn't that true?

Secretary FINCH. There has been some evidence of that and that is one of the reasons why the bill provides, as one option, for the Secretary to contract directly with local agencies, private and public.

Mrs. GRIFFITHS. That is why you really took over the day-care program. We are never going to have any day care programs if we leave it to the States to supply the leadership.

Secretary FINCH. We can contract with States under this bill. We can contract with State or local entities.

Mrs. GRIFFITHS. In late April of this year at the House Appropriations Committee hearings, Assistant Secretary of Labor Weber estimated that at the end of the fiscal year there would be 85,000 partici-

pants in WIN. This was quite a cutback from the original estimate of the Labor Department of substantially over 100,000 participants. How many participants were actually in WIN at the end of the fiscal year?

Secretary FINCH. Mr. Rosow, from Labor.

Mrs. GRIFFITHS. Thank you.

Mr. BURKE. Would you identify yourself for the record, please?

Mr. Rosow. Yes. I am Jerome M. Rosow, Assistant Secretary of Labor for Policy.

As of September 1969 there were 63,722 people.

Mrs. GRIFFITHS. What were there on June 30?

Mr. Rosow. June 30, 61,847.

Mrs. GRIFFITHS. As a matter of fact, didn't they go down in August?

Mr. Rosow. Not according to this report. We show 63,727 registered in WIN.

Mrs. GRIFFITHS. Why haven't you gotten the 85,000 registered?

Mr. Rosow. Well, Mrs. Griffiths, the WIN program, as you know, is a very young program. It only started under the appropriation and our first enrollments were in August of 1968 where we went from a zero position to 387 people and we have stepped it up to a point where, as we mentioned in the testimony last week, we have had a total of 92,000 people registered in that short interval. There has been an uneven performance among the various States, as this committee recognizes. There have been inconsistent standards in the States with regard to the referral of persons as eligible for WIN training or job placement, varying from a low in some States of 2 or 3 percent of those eligible to other States as high as 97 percent of the eligibles.

Mrs. GRIFFITHS. As a matter of fact, you are talking about enrolled. How many are really participating?

Mr. Rosow. Well, there are some 22,000 people of the enrollees who are either applicants pending placement or in between components in the training program, or in the so-called holding status that you are having reference to.

There are 41,258 as of August of this year who are actually in one or another training program.

Mrs. GRIFFITHS. The participants really did go down in July and August, didn't they? It went up a thousand in July and actually went down in August?

Mr. Rosow. Well, if we look at those in the training program as distinguished from the figures that I was citing, Mrs. Griffiths, which was with reference to those totally enrolled, there has been a slight slip there from 41,618 in July to 41,258.

Mrs. GRIFFITHS. Is this true?

Mr. Rosow. That could just be that people were between programs. It could be that some of the States, as we know—for example, California has had a much larger number of referrals than they were able to digest. They haven't had the training facilities in place yet. I think this is characteristic of any new program of such a large magnitude. There were 16 legal barrier States in the early months of this program.

Mrs. GRIFFITHS. But all of them are supposed to be removed, are they not, now?

Mr. Rosow. Yes, they are virtually all in cooperation with the program now.

Mrs. GRIFFITHS. When do you expect to reach 85,000 participants, not enrollees?

Mr. Rosow. We don't have a flat prediction on that. I think we have program objectives which will take us up there and there is an intensified effort on the part of the Labor Department to make the WIN program more successful. We would like to say for the record here that it is our strong feeling that the WIN program which was legislated by this committee in 1967 amendments is a very forward-looking step and one which is logically the precursor to our ability to succeed in the family to assist the family to make the transition from welfare to work, and we would be very remiss if we didn't take every effort possible to try to make this program more successful.

Secretary FINCH. I would say, Mrs. Griffiths, that we would anticipate that a great chunk of these slots downstream would be for the purpose of allowing women to work.

Mrs. GRIFFITHS. Well, let me return again to that problem. If you don't take care of that problem your whole welfare program is going to be an absolute failure.

Secretary FINCH. I would certainly agree.

Mrs. GRIFFITHS. This is the failure of the present welfare programs. The real truth is that there are States and, for instance, New York has its own State-financed program and a father can be in the home and not working and they can still draw money. But the AFDC rate, leaving out these working poor families, is the highest in the country according to your own testimony. About 170 out of every 1,000 children in New York are getting AFDC payments and the very great majority are on the rolls because the father is not in the home.

Secretary FINCH. That is correct.

Mrs. GRIFFITHS. Actually, there are many other reasons why the AFDC rolls have grown so fast but the largest factor is illegitimacy where there never was a father in the home in the first place.

What are you going to do about it?

Secretary FINCH. We think that the child care component, which has been relatively weak in the areas you are talking about, would make a substantial difference in that regard, as well as the other special services that we might provide.

Mrs. GRIFFITHS. If you don't have a day care center for the 14, 15-, 16-year-old mother and a requirement that she go to school or seek training, you are going to have an additional increase in these births. There isn't any question about it. This is the way it has worked and this is the way it is going to work. This is what has been happening for the last 30 years. When are we going to look at what has really happened in place of what men think might happen?

Secretary FINCH. You returned again to my alleged dislike of the opposite sex, Mrs. Griffiths. I don't know whether in keeping the husband in the home we are doing the wife a favor or not.

Mrs. GRIFFITHS. A lot of these people are kicking their husbands out of the home. I have been told by the court in Detroit that one of their biggest problems in locating fathers is the fact that the mother really doesn't want the father around, and he is perfectly willing and able to support the child, so that you simply have to require that she go to work. You might find some of them would be very happy to have a father around then or a husband around if they had to go to work themselves.

**Secretary FINCH.** There is another point I would respond to. We do have some significant data that show that where the mother does work, and, of course, does have a good day-care facility, that tends to strengthen the ties and upgrades the achievement and the aspiration level on the part of the children, as opposed to a mother who might just be taking welfare.

**Mrs. GRIFFITHS.** Of course, If a child has never seen any one of the parents work, then I really don't think he is ever going to be very willing to work himself. It has never seen the pattern.

**Mr. Secretary,** as I understand the way the provisions for disregarding earnings work, for each dollar in monthly earnings above \$60, 50 cents is deducted from the family assistance benefit and 17 from the State supplemental benefit. Is that correct? It is correct, is it not?

**Secretary FINCH.** That is correct.

**Mrs. GRIFFITHS.** Well, now, it seems to me two conclusions can be drawn; first, your bill is no better and perhaps worse than present law. Under present law 67 cents is deducted from the assistance payment for each dollar above \$30 in monthly earnings. Now, before you claim that the 60 is better than the 30, let me remind you that under the present law the first \$30 plus all of the expenses attributable to work are first deducted. This would not be so under your proposal.

And as Secretary Shultz testified, the average cost of working expenses according to his survey is about \$60 a month. Thus the present law provisions really give \$90 a month deductions, \$60 for working expenses and an additional \$30.

The clear conclusion is that in most cases at least your proposal amounts to less of an incentive than the provisions which this committee put into the law in 1967.

Would you care to comment?

**Secretary FINCH.** Yes, Ma'am, I would respectfully disagree that this weakens it in any way because of, again, the fact that it is \$60 plus the day care emphasis, and we are talking about a sharp upgrading in this day care program, and that day care expense is a major factor, as you know, if they are paying for it themselves.

**Mrs. GRIFFITHS.** But you are counting nothing else in expenses. The cost of going to work—

**Secretary FINCH.** They would be able to write off the other expenses.

**Mrs. GRIFFITHS.** And we really have the day care setup except the States didn't do anything.

**Secretary FINCH.** We are hoping to cure that.

**Mrs. GRIFFITHS.** Second, from the way your proposal would work for each dollar in earnings above the \$60 the Federal payment would be reduced more than the State supplemental payment. Isn't this a form of discrimination against the State payment?

**Secretary FINCH.** I am sorry I missed the first part of that question.

**Mrs. GRIFFITHS.** Well, for each dollar in earnings above the \$60 the Federal payment would be reduced more than the State supplemental payment.

**Secretary FINCH.** That is true. I am sorry.

**Mrs. GRIFFITHS.** Isn't this sort of a discrimination against one of these payments?

**Secretary FINCH.** No, we think, as I say, that the \$60 plus the day care stands on its own and will do the job.

**Mrs. GRIFFITHS.** Your welfare bill has been described as doing away with the difference in the treatment between the working poor and the non-working poor.

Now, the way I read the bill you do not remove that distinction. You could have two families living here in the District which would be alike in every respect, including amounts of earned income and earnings, which could be treated very differently just because in the one case the man worked less than full time and was considered unemployed, and the other man worked full time to earn the same amount of earnings. If each of these men had earnings of \$160 a month, the full-time worker's family would get only \$83 in Federal assistance benefits, while in the case of the family where the father was not working full time the District of Columbia would have to pay a supplemental grant, in this case \$44-and-some-cents. Isn't this true?

**Secretary FINCH.** Well, to be perfectly true nationwide I would have to say candidly these proposals do not treat all working poor and non-working poor persons absolutely equally.

**Mrs. GRIFFITHS.** It is true in 42 States.

**Secretary FINCH.** But what we have done, we think, is to at least attack the existing structure which is demonstrably poor and come a way down the road in terms of having a single program which more nearly treats these people who are above and below these poverty lines with uniform standards and a uniform national administration.

**Mrs. GRIFFITHS.** It does not in reality do away with the distinctions between the working poor and the non-working poor, not exactly as you said. One of the major differences in your proposed bill and the existing WIN program is the elimination of the provision which called for the establishment of special work projects. The idea Congress had in mind when it enacted these provisions was that employment in such public-sponsored projects should be provided for those individuals for whom WIN training or further training was inappropriate. You are abandoning this concept, is that right?

**Mr. Rosow.** May I respond, Mr. Secretary?

**Secretary FINCH.** Yes, I don't think that is true.

**Mr. Rosow.** Mrs. Griffiths, in fact among the various programs authorized for the Secretary of Labor in the proposed bill special work projects is enumerated as one of those.

**Secretary FINCH.** That is on page 36 of the bill.

**Mrs. GRIFFITHS.** Thank you very much.

How many mothers with children are participating in WIN at the present time?

**Mr. Rosow.** We will have to furnish that reply for the record.

**Mrs. GRIFFITHS.** All right. When you supply it will you also tell me how many are participating who have children under six years of age?

**Mr. Rosow.** Yes.

(The information referred to follows:)

Our information is not exactly in the form requested. In fiscal year 1969, there were 43,100 females enrolled who were heads of households—presumably mothers.

There were approximately 22 thousand children under six years old belonging to female enrollees, and 17 thousand children under six of male enrollees.

**Mrs. GRIFFITHS.** Are you aware of any mothers who have been forced to participate in WIN against their will?

**Mr. Rosow.** No. As we testified on Thursday in the Secretary's prepared testimony and in response to questions, in a survey recently conducted of the WIN program we found that less than 200 participants had refused to cooperate and none of those were women.

**Mrs. GRIFFITHS.** Now, I would like to ask you how many mothers with children are not in WIN because of the social worker's decision?

**Mr. Rosow.** Well, probably a considerable number, but we don't have statistics on that, Mrs. Griffiths. As I mentioned earlier, I think that is indirectly revealed in the wide variation in the way in which States are interpreting the eligibility or reference referral procedures whereby the welfare office makes a referral to the Department of Labor for training or employment and it would be contained or submerged, under those referral procedures.

**Mrs. GRIFFITHS.** One of the objections I have to not having the requirement that the mother take training or work or take schooling is that in reality you are giving this choice to the social worker and I don't think the social worker has that right.

**Mr. Rosow.** However, if I may, Mrs. Griffiths, point out, in the proposed legislation we have taken clear measures to eradicate that problem.

**Mrs. GRIFFITHS. How?**

**Mr. Rosow.** Well, in the present legislation under the WIN amendments there is a phrase "appropriate persons" which, in fact, has been the opening of the barn, so to speak, for the welfare authorities to make judgments as to who is appropriate. In fact, the present amendments make no distinction with regard to the age of the children and would permit in some States for the social worker—

**Mrs. GRIFFITHS. Who is going to determine appropriate persons?**

**Mr. Rosow.** That is being determined by local administration within the States at the present time, but in the proposal—

**Mrs. GRIFFITHS. What local administration?**

**Mr. Rosow.** The welfare people.

**Mrs. GRIFFITHS. Well, that is what I am objecting to.**

**Mr. Rosow.** Yes; your point is valid, but my point, if I may continue, is that in our proposal, in the new law, that language would be deleted and in place of that there would be a categorical list of persons who would be exempt such as aged, or ill, or those with children under 6.

**Mrs. GRIFFITHS.** But why are you still continuing to exempt those with children under 6? Why do you let the little girl become 20 before she has to take any training or become 20 and have four more children? Why don't you make her go to school?

**Mr. Rosow.** I think there are several reasons.

**Mrs. GRIFFITHS.** All right, I will be glad to hear them.

**Mr. Rosow.** I think, first, the administration feels that with very young children there is considerable evidence that they should be close to their mother in the early years and it also feels that the mother should make this choice consciously. If she feels motivated and able with adequate day care to join the program she is eligible to volunteer and would be given the same priority as any other mother in the program.

**Mrs. GRIFFITHS.** Practically the only choice of a 14-year-old is whether to have a baby or not. What other rights does the law give

a 14-year-old? Why should you permit her at 14 years of age to decide whether she is going to go to school or she isn't?

Mr. Rosow. Well, I think it comes back to your earlier point, Mrs. Griffiths, with regard to some of the problems in day care establishment, and I am sure you will admit that the problems of day care are more intense and difficult with very young children than they are with school age children. I think these things all add to the problem of accommodating to your suggestion.

Mrs. GRIFFITHS. No matter what the problem is, you have to reach that 14-year-old and you have to reach her children, and if you don't do it through that day care center how are you going to do it?

Secretary FINCH. That is exactly what we are trying to achieve. I don't think there is any difference in our goals here, Mrs. Griffiths, at all, and I would welcome the opportunity to sit down with you and explore how we get these options across to that child and under what environment because I think we can work it out.

Mrs. GRIFFITHS. I have a bill in, Mr. Secretary, that would come before this committee. It would feed every child in America three meals a day in school. Have you ever looked at that bill?

Secretary FINCH. I am aware of the bill, yes, Ma'am.

Mrs. GRIFFITHS. What would your objections be to that bill being put into this welfare program?

Secretary FINCH. There was some discussion about this, and we had problems with respect to financing. We would hope that we could feed at least one or two meals a day in the expanded day-care facilities.

I am personally willing to discuss that, and hopefully we could get return support for our efforts in getting family planning material across to these young ladies, too.

Mrs. GRIFFITHS. How many additional breakfasts are you going to serve in American schools? Are you going to serve in American schools? Are you going to give breakfast to every child?

Secretary FINCH. Not under present legislation.

Mrs. GRIFFITHS. Are you planning on giving breakfast to every child?

Secretary FINCH. I am afraid that comes under Agriculture. It is not in this program.

Mrs. GRIFFITHS. Why should it come under Agriculture?

Secretary FINCH. It is not in this program.

Mrs. GRIFFITHS. Why should it come under Agriculture. It is really a welfare program.

Let me show you. Even in the school milk program in the suburban schools of Chicago, children pay 2 cents a pint for that milk. In the ghetto schools of Chicago they pay 4 cents.

My own city, Detroit, has the poorest school lunch program of any major city in America. We have 50,000 children on welfare and only 8,000 kids are given free school lunches.

Why don't you begin by feeding these children and making sure that they have a chance to eat?

Secretary FINCH. As I said, Congress in its wisdom back upstream sometime said that these programs would come under Agriculture.

Mrs. GRIFFITHS. Why don't you take it over? Why don't you make a suggestion?

Secretary FINCH. Well, we do some of this under title I for the disadvantaged children.

Mrs. GRIFFITHS. How much?

Secretary FINCH. I would have to get you the specific figures.  
(The figures referred to follow:)

Elementary and Secondary Education Act of 1965, Public Law 89-10, as Amended,  
Title I, Assistance for Educationally Deprived Children

*Expenditures for food services, fiscal years 1966, 1967, and 1968<sup>1</sup>*

1966-----	\$21,204,190
1967-----	31,719,391
1968-----	32,199,473

<sup>1</sup> Data for fiscal year 1969 not yet available.

Mrs. GRIFFITHS. Do you have the school breakfast program?

Secretary FINCH. About \$40 million a year, I am advised.

Mrs. GRIFFITHS. I figure that for \$4 billion you can feed them all. And doesn't your program come to about \$4 billion?

Secretary FINCH. Well, I would argue that for the same \$4 billion we can reform this inadequate welfare system.

Mrs. GRIFFITHS. But have you done it in the place where the reform is most needed?

Secretary FINCH. We think we have. I am sorry to disagree with you.

Mrs. GRIFFITHS. But you are not reaching the illegitimacy factor.

Secretary FINCH. If we get our family planning bill across—

Mrs. GRIFFITHS. You are not doing anything to break it. You are not doing anything to require that the child take training, to stay in school, that she put the offspring in a day-care center. This is the one girl that isn't going to have to do anything.

Secretary FINCH. I am not sure just where they get pregnant, but probably a lot of them get pregnant in school. That is part of the problem.

Mrs. GRIFFITHS. I am sure they do, but you are not reaching that girl. You don't require her to take training. You don't require her to go to school, and she is your biggest problem.

Secretary FINCH. That is an indictment of our educational system. I will concede it is an indictment of our family life. And we think that just in the family stability incentives that are built in here we will do more to attack the kind of thing you are talking about than almost anything else we could do.

Mrs. GRIFFITHS. As to the family incentive, we have already pointed out that some of the largest of all these pay the money whether or not the father is in the home, and still that is the highest illegitimacy rate. As a matter of fact, Canada has a family allowance program, don't they, and they don't care whether the father is in the home or not? Don't they really have increasing illegitimacy rates? Isn't that true, Miss Switzer?

Secretary FINCH. I think it is \$10 a child.

Mrs. GRIFFITHS. But they have exactly the same problem we have with all of these illegitimate children, and you are once again bringing in a bill that doesn't hit the heart of the problem. What have you accomplished with the family planning since 1960?

Secretary FINCH. Did you want Miss Switzer to respond to that?

Mrs. GRIFFITHS. Anybody who can answer.

Miss SWITZER. Mrs. Griffiths, it is my obsession just as it is yours that we break this cycle somewhere as fast as we can—now. I don't

think we can do it entirely through the family assistance plan, because it won't reach this group, as you have illustrated. But it seems to me that in our service package which will be coming up shortly we could have a requirement that a State in order to participate in the service program have a definite program for these young mothers, because I agree with you 100 percent that unless you get them back in school and unless you get them into training and get the children properly taken care of in a day-care center or under some other auspices, you will not stop the cycle.

I think you have to have a very aggressive birth control program for these kids, because I don't think they really understand the facts of life as they should. And I think that they have to be in a protected environment. And in the very few places where we have had projects, where we have experimented with whether they can go back in a regular school system or whether they have to have a specialized institutional setup, we have demonstrated that you can stop the cycle if you put them into a school situation or a training situation.

I think, however, that you have to do this in an organized way, not entirely through the payment of assistance—either AFDC or family assistance, or anything else. It has become a sufficiently large problem in most areas now that it has to be attacked, you know, almost as a disease condition, because it isn't only the people on welfare. If you take a census of almost any high school in the country today, you will find that you have a very high percentage of the kids in high school who are having babies very early, and they are not marrying and they don't want to marry. It is a very fundamental and very serious problem.

But I think we could get at it if we had a program that was directed primarily to servicing this group of people.

Mrs. GRIFFITHS. I agree with that, but I think that it should be written into this bill.

Now, as a matter of fact, the social services of the States could be abandoned under this bill, couldn't they?

Miss SWITZER. This bill doesn't really deal with them.

Mrs. GRIFFITHS. I asked that question the other day, and I really think that the States can get out of the welfare business under this bill.

Secretary FINCH. Not under the services aspect.

Miss SWITZER. I suppose technically they could because the requirements for the maintenance of effort go to the maintenance of effort dollar-wise, but it would be inconceivable that some agency in a State or a community wouldn't have organized services for this group as well as other groups. I think that our service proposal, which is a very comprehensive, far-reaching kind of thing, which really programs something out—it just doesn't say you can get back a dollar for a dollar spent or 75 cents for a dollar spent, or what have you—will set out the fact that you have to have an organized program. I think this bill is where we should attack this particular problem of the young mother of illegitimate children and possibly tie it in somehow with the work program.

I don't know—I have been thinking as you have been asking these questions—why we can't use in most communities the truancy laws to force these children to go back to school, because that is all they are, just kids. The communities just won't face up to this responsibility.

Mrs. GRIFFITHS. They pass city ordinances that the mother can't go to school.

Miss SWITZER. I know, and still they have ordinances that require people to be in school up to a certain age.

Mrs. GRIFFITHS. We had a class set up in Detroit to help these young girls, and when Federal funds were cut, this was the first thing cut out. I spoke to the superintendent about it, and he said it is the first kind word that has been said about the whole program. Everybody else objected.

A State can go out of social services without losing Federal funds under other parts of this act, can't they?

Miss SWITZER. Well, they could go out. Sure, I guess they could if they wanted to, but there is quite a lot of money being spent right now by all of the States in social services.

Mrs. GRIFFITHS. This is the place to put the welfare for these children, and this is the program to attack not really the problem of the father alone, because you aren't going to get the father back, as Miss Switzer said. The real thing is marriage is becoming rather unpopular as a way of living and some of these girls don't want to marry. You are going to have a real hard time.

Miss SWITZER. I do think we have to work on the young boys too.

Mrs. GRIFFITHS. I think it would be a good idea, but I gave up on them.

Miss SWITZER. It takes two to make a baby, or at least it used to.

Mrs. GRIFFITHS. I just feel that the moment has come when you have to direct the money and the action towards the source of the problem, and the real problem is these young women. And your bill in my judgment doesn't do a thing for them. Ten years from today or 2 years from today or a year from today you can come back and you will not have solved the problem. The problem is going to be greater.

Thank you very much, Mr. Chairman.

Secretary FINCH. If I could respond to that——

Mrs. GRIFFITHS. Yes.

Secretary FINCH. —I would only say that we can't solve all of the problems with this family assistance plan. I think we can work with your staff, and we can come in with some programs under the special services legislation that we will be bringing in shortly. But I would have to say generally that to let the present system go on, I think you would agree, would be intolerable. I say, we are betting on instincts and we can argue about the popularity of marriage as an institution, but by and large this piece of legislation proceeds from the premise that most people want to be with their families, the husband wants to be with the wife and vice versa, and the children there too. Also, given two courses of action, work or nonwork, a man does want to get up in the morning and go off and do some work that is fulfilling and gives him some dignity. That is built into this legislation.

Mrs. GRIFFITHS. Mr. Secretary, I think the real problem is that you have all your money on a myth. This is the real problem with the whole bill. The place to put the money is where the problem is. The person to try to help is the person that is creating the problem, and this bill isn't doing it. And I don't blame you. Nobody in the whole Welfare Department ever suggested it before in the past 30 years. It is not even partisan. It is certainly nonpartisan that it has been a matter of men living in a dream world. That world is gone.

Look to what the real problem is and put the money there.  
Thank you, Mr. Chairman.

Mr. BOGGS (presiding). Any questions?

Mr. BYRNES. Mr. Chairman?

Mr. BOGGS. Mr. Byrnes is recognized.

Mr. BYRNES. I want to compliment the Secretary on his appearance this morning and upon presentation of these new charts and explanations of this program. I think we have it now in the proper context, and I think clearer than we had it last week, by your examples of the present incentive of those on welfare to quit work. That has been a problem that has concerned us all, as to whether or not we weren't creating a situation under the present program whereby we were encouraging people just to sit home and draw the welfare check.

In your tables on work incentives for the working poor, you use the term "father." That would be the same if you used the term "mother," would it not?

Secretary FINCH. Yes, sir.

Mr. BYRNES. A mother earning \$2,000 a year?

Secretary FINCH. Breadwinner.

Mr. BYRNES. Right, and if she quits, she has a thousand-dollar incentive to quit in this State that would pay \$3,000 for aid to dependent children. Is that not correct?

Secretary FINCH. Yes, sir. In deference to Mrs. Griffiths we should have had "breadwinner" in there so we weren't discriminating against women.

Mr. BYRNES. I think it is important that we recognize that. This is true concerning those families that represents widows or mothers, among the working poor with a father who has run away or is absent—all the other reasons that you have. You have a lot of women working—

Secretary FINCH. Yes, sir.

Mr. BYRNES (continuing). But at a poverty level, and under the poverty level, which really puts the question to this mother under today's program, "Should I work or should I stay home?" And as you pointed out, the incentive is to stay home. Why have the additional cost of going to work, why not just stay home and sleep late in the morning, and so forth? You have a thousand-dollar incentive to do that under the present program, using this particular example. And you would shift that under this program so that you would go from a thousand-dollar incentive to quit to a \$260 incentive to work or a combined overall shift of emphasis of \$1,260.

Now that should be some encouragement to these people, it would seem to me.

Secretary FINCH. We believe so, Congressman.

Mr. BYRNES. In other words, that is in a sense your carrot that you use to keep people working, and to get people working, even though they are still going to be in the poverty level and have to have some assistance?

Secretary FINCH. That is right, and we think that with that will come some upward mobility and that downstream with this extra assistance they will work themselves out of that supplement.

Mr. BYRNES. They will get into the habit of working and all the rest of it?

Secretary FINCH. Yes, sir.

Mr. BYRNES. But then you also have the club in addition that certain people have to take training and have to go to work if they have that capacity. Is that not correct?

Secretary FINCH. Yes, sir.

Mr. BYRNES. So you are doing it both ways. You are not putting the emphasis, as we did in the past, on merely the club. We are putting it here now on both sides so that there is a dollar incentive and there is also the absolute requirement that you lose your benefits if you do not do the best you can as far as training and work is concerned.

Secretary FINCH. That is correct.

Mr. BYRNES. I am intrigued with this case of the gentle lady from Michigan, you know, the teenage child with a child. I would like to know really—it might be helpful to us because there is a problem there, and it is a growing one and one that troubles us all—what happens to these teenagers that have children? I suppose there are a few cases where there is a marriage.

Miss SWITZER. Well, a few, but very few in the group we are talking about, very few.

Mr. BYRNES. Let's take the case cited by Mrs. Griffiths, the 14-year-old boy and the 13-year-old girl, and they do get married. What are you going to do with them? As I understand it, as far as the male in that situation is concerned, he is required under the training program to take training. And as I understand it, this includes basic education, institutional training, and so forth, so that the male in this family, this 14-year-old, would have to go to school if that were decided to be the appropriate way for training. Is that not correct?

Miss SWITZER. The chances are that the male would be older than 14.

Mr. BYRNES. I was just taking her example.

Miss SWITZER. The girl would be 14, 15, but the father would probably be 16 or 17. He could be quite appropriately a candidate for the work program, would be required to—

Mr. BYRNES. My point is, the question of education is encompassed by the word "training," so that if a person can't read or write, you are going to send him to learn to read or write first and then send him to some vocational type of training, maybe a welder course. Is that correct?

Miss SWITZER. That is correct, Congressman.

Mr. BYRNES. Then I don't understand why we question this, as far as this type of person is concerned, as to whether he should have to go to school or not. You are going to look at him in terms of training, which includes any kind of education which may be needed. Is that right?

Miss SWITZER. Most of them don't want to. I think this is probable.

Mr. BYRNES. Do most of them go to the grandparent of the youngest child?

Miss SWITZER. Yes.

Mr. BYRNES. I mean in the case of two children, let's say, one who is 2 or 3 years old or a year old and another 17 or 18.

Miss SWITZER. Yes, or they skip the mother and go to the grandmother. There is a pattern of family unit that I have observed where a young, say 14-year-old is involved. The mother probably has her own problems with her own children, many of whom would also be in this category. So the grandmother takes the youngest one.

Mr. BYRNES. Now, let's say the younger one goes to a grandparent. Does that make that one eligible?

Miss SWITZER. Oh, yes.

Mr. BYRNES. Anybody is eligible for family assistance who may have the child?

Miss SWITZER. Yes.

Mr. BYRNES. It would depend upon their income levels.

Secretary FINCH. And the specific language is blood, marriage, and adoption.

Mr. BYRNES. So this 17-year-old as such would not become eligible as a family unit in the normal case because the normal case is that this child would go someplace else, would go to the grandparents of the 17-year-old in some cases and to the parent of the 17-year-old in others.

Miss SWITZER. That is right, especially if the parent was younger than 17. The 14- and 15-year-old children that have the babies, and there are many, many of them, normally would probably be with the grandmother if there was one, because the mother of such a child has her own problems as a rule. Or, if she stayed with the mother both would be part of the family unit and counted.

Mr. BYRNES. In terms of the family assistance do you require the children who are under a particular age to go to school if the State law requires them to go to school? I would assume that if this 17-year-old with a child who is living with her parents has to go to school under the State law, she is still treated as a member of the family of her parents and if her parents income level is eligible for the family assistance they would be getting it?

Secretary FINCH. That is correct.

Mr. BYRNES. Maybe I am missing the point here, but I don't know why we have such an aggravated problem raised by Mrs. Griffiths. It is true that this program doesn't reach the prevention of the situation where you have the illegitimacy and so forth, but as far as the care of these people is concerned that is taken care of through the family assistance program?

Miss SWITZER. Yes.

Secretary FINCH. We think it is a step in the right direction. We don't suppose it is a total cure-all, but it is a step in the right direction.

Mr. BYRNES. No; I am talking about the maintenance of these people.

Secretary FINCH. Right.

Mr. BYRNES. And you would have very few cases where this would establish a new family entity for public assistance?

Miss SWITZER. Yes.

Mr. BYRNES. For family assistance.

Miss SWITZER. Very few, but I suppose in the very young girl you might if she was all by herself, the 14- and 15-year-old.

Mr. BYRNES. So you may have a few cases of the situation where you have a mother 16 or 17 or 15 who has a child but no parent for her to go with or any grandparents?

Miss SWITZER. So she would be on her own and she really would be a charge on the services of the community to try to help her out of that predicament.

Mr. BYRNES. Wouldn't that individual then, as soon as she is in a situation where the mother can leave the child, be required to go

through the work-training and educational program that is outlined in the bill?

Miss SWITZER. Well, in the case of a 14-year-old or a 15-year-old I don't know whether the Department of Labor would be—

Mr. BYRNES. I am talking about training.

Miss SWITZER. Well—

Secretary FINCH. She is exempt. If 17 and under, she is treated as a child and exempt from coercive aspects of the family assistance program.

Mr. BYRNES. She wouldn't have to take any training?

Secretary FINCH. She would go to school.

Mr. BYRNES. The question is would she have to?

Secretary FINCH. Take training for specific—

Mr. BYRNES. No, I am trying to get the context of education as part of training and if I am wrong I would like to be advised that I am wrong. I just assumed that when you say you are going to train people, and if they need some basic education as a prerequisite to more advanced training in terms of vocational skill, you are going to give it to them. You can't teach a girl shorthand until she can read or spell or write, so that you have to start at a more basic level to begin with, and the law provides that today, does it not? Don't you have some people to whom you give preliminary basic education before putting them into a vocational training program?

Mr. Rosow. Yes, Congressman Byrnes, that is true. However, I think the point that we were trying to make is that since people under age 18 are defined as children in this proposed law they are not subject to the compulsory features of the training part. However, there might be a possibility to put into the law an education requirement, and I do feel that that is the appropriate way to deal with it educationwise, as you yourself have suggested, and it could be that is what is needed as Mrs. Griffiths has suggested. But, literally, the training provision wouldn't apply to the young people because it is unlikely that they would be referred to jobs unless they have the basic education.

Now, if they are older, if they are past 18 and they come into this category and they may not have finished high school, we would then give them some additional basic education and training and work referral, but I think in the very young category like 14 or 15 we are still dealing with a basic education problem that should be remedied at the educational level rather than in the Labor Department.

Mrs. GRIFFITHS. Mr. Chairman—would the gentleman yield?

Mr. BYRNES. Surely.

Mrs. GRIFFITHS. I think one of the easy ways to find out the answer to this, as to how much education these girls are given after they have had a child at a very young age, would be to discover how many girls who have had children go back to high school and I think in all honesty you are going to find that it is practically none. They don't accept them back. The girls don't go back and they are not required to go back, so that while in fact in some schools they would accept them back, the truth is, Mr. Byrnes, that some towns have passed ordinances against accepting them back.

Secretary FINCH. That is true.

Mrs. GRIFFITHS. And there has been a recent court case on this where the town was compelled to accept a girl who had had a child, but in fact there are not many who go back.

Mr. BYRNES. Of course the problem here in this case is not so much the problem of their ability to keep body and soul together by reason of their economic status, because you are going to take care of that under the family assistance, are you not?

Secretary FINCH. Yes.

Mr. BYRNES. This person is going to be eligible.

Secretary FINCH. Yes.

Mr. BYRNES. Either as a unit in another family or in a unit of her own.

Secretary FINCH. Right.

Mr. BYRNES. So that that aspect of it you do deal with in this particular bill.

Secretary FINCH. Yes.

Mr. BYRNES. It is the matter of something special that would have to be developed in terms of the proper education of this child so that she can at least when she gets to be 19 or 20 or 18 go to work.

Miss SWITZER. That is right.

Mr. BYRNES. And that is a little beyond the family assistance aspect, is more in the family services area, I would assume, is that correct?

Miss SWITZER. That is right.

Secretary FINCH. And in the services bill that we will be sending up to the committee to consider, Congressman, we will be going to those problems of foster parents and adoptions and that is taking us a little longer than we anticipated because there is just so much input we have to get from the various States. You are again dealing with these 50 different systems, 50 different sets of laws.

Mr. BYRNES. I will yield to the gentleman from Massachusetts.

Mr. BURKE. I would just like to ask the lady a question. With relation to these children who are born under these conditions, where the mother just takes off and the child is turned over to the State—

Miss SWITZER. I am sorry, I can't hear you, Mr. Burke.

Mr. BURKE. I say with relation to these babies that are born under these conditions where the child does not go into the home, the mother does not take custody of the chld, nor does the grandmother, but the child is turned over to the State. What is done for that child? What part does the Federal Government play in providing for the upkeep of that child?

Miss SWITZER. This varies, of course, greatly from State to State, but you have, for example, foster care which is well supported in some places and not so well in others. You have institutions, both religious and nonreligious, that take children of this type. But generally speaking this is a State and local responsibility.

Mr. BURKE. That is what I am interested in bringing out. Why does the Federal Government fail to give attention to this child where they are making a much higher contribution to the AFDC child, who at least has the care of a parent? Why does the Federal Government feel that they should make a higher contribution toward these latter children?

Secretary FINCH. This is one area, Congressman, where we will come in with some, we think, higher amounts. Under the foster care program, my understanding is that about only 2 percent of the total

dollars spent in this area comes from the Federal Government. We hope to increase that with the legislation we will be sending up for you to consider.

Mr. BURKE. You are going to make recommendations to raise the federal expenditures for child welfare this year?

Secretary FINCH. Foster care programs.

Mr. BURKE. I am talking about these children under child welfare. I believe the Federal Government this year is going to spend \$57 million on this entire program. Is the administration going to recommend at least bringing that figure up to the authorized amount of \$110 million?

Secretary FINCH. That is a different program.

Miss SWITZER. That is a good question.

Secretary FINCH. That is a different program.

Mr. BURKE. But it is all under the care of these children and I can't understand why we ignore these most disadvantaged children, how the Government can just close the door on them. I am not criticizing you, Mr. Secretary. This has been going on for years, under all the past administrations. The Federal Government just ignores these children, and I can't understand why there isn't a recommendation coming in here raising the Federal Government's contribution toward the upkeep of these children, why they just feel that these children should be thrown upon the world without any contribution on the part of the Federal Government, or the small contribution that they make.

Mr. BYRNES. Mr. Secretary, in your pie chart that shows the profile of poverty and individuals in poor households, we know how many are in the category of families with children where the mother isn't working or where both the mother and father are not working. That is your 17 percent.

Secretary FINCH. Yes, sir.

Mr. BYRNES. In this other group, though, the remaining part of that, do we have some idea of how many in this group are poverty families where you don't have a father but you have a working mother? Do we have any estimate?

Mr. PATRICELLI. We are advised, Congressman, that there are about 300,000 poor families where the mother is working full time throughout the year.

Mr. BYRNES. And that is the area that we have neglected completely and are encouraging that woman to keep working rather than just quit and go on welfare?

Mr. PATRICELLI. Well, she is in the same situation as the full-time workingman.

Mr. BYRNES. I realize that.

Secretary FINCH. At that level.

Mr. PATRICELLI. To be factually correct, full-time workingwomen are eligible for welfare under AFDC, but the way the system works out they still end up having a financial incentive to quit because they make less working than they would if they weren't working and were on welfare.

Mr. BYRNES. They are eligible today even though they aren't working?

Mr. PATRICELLI. If they are below the State need standard and all the rest of it.

Mr. BYRNES. What if she quits? There is nothing to prevent her quitting really, is there, except the 1967 act which says that if you are capable of working you should work?

Mr. PATRICELLI. Right.

Mr. BYRNES. I see.

Let me ask this just to clarify it. I think I know the answer but just for clarification. Where you have both the husband and wife in a home eligible under the new family assistance program that you are proposing, does the work requirement and the training requirement apply to both of these adults, or just one?

Secretary FINCH. Just the father.

Mr. BYRNES. Well, why? Why is there any difference in the situation of this mother with children who are, let's say, 13-, 14-, or 15-year-olds, if the husband is working but only making \$2,000 a year? Why shouldn't she also work and contribute just as much as the woman who has to work but who doesn't have a husband working?

Secretary FINCH. There is a broad question of philosophy involved there, Congressman. We think, going back to the basic concept of family stability, that if the husband has an opportunity as the breadwinner to go out and earn a number of dollars, things will happen that as those children grow a little older, as their appetite for a television set or a better life is whetted, then it may be that the wife will want to go out and go to work. We don't think at this point there should be a compulsory feature with regard to both the husband and wife. You leave the option with the wife.

Mr. BYRNES. I frankly find it difficult to understand why this woman should be placed in a more favorable situation because she has a husband who is contributing a little bit, as against a woman who has no contributing husband. One has to go to work, the other does not. Are we treating these people alike in terms of how far society will go in taking care of them regardless of what they are capable of doing.

Secretary FINCH. I will let Mr. Rosow answer that.

Mr. Rosow. I will try to supplement what the Secretary said.

In looking at some of the economics of child-care cost when you have no father present, there is a large investment, somewhere around \$2,400 a year for three children, one preschool age and two school-age children, to be cared for. In a situation such as you illustrated, Congressman Byrnes, it is quite possible that that woman going to work part time and leaving her children and then being put on the State support for child care, that it would be uneconomic for her to work.

The other thing is, as has been pointed out several times, we have the problem of priorities in terms of child care. We haven't got the facilities in place to deal with those families that are not working at all, so that they become the first priority and where there is only one adult present, the mother, the feeling is that she should be put into the mainstream so that her children will have a different orientation towards life, a different set of values and judgments, and also that the Government can make an investment in their future in breaking the poverty cycle for them so that in terms of ordering the priorities the feeling is the emphasis has to be placed on those families that have just one adult present. Where there are two present it is more like a normal family in the sense that the emphasis is on the father, the

emphasis on upgrading and career development for him to get him into a better paying job, and to pull him out of the welfare program entirely so he becomes entirely self-supporting. The mother role becomes one of supporting the family, caring for the children while he is trying to improve his income.

Mr. BYRNES. But don't you want the unit to be self-supporting too?

Mr. Rosow. Yes.

Mr. BYRNES. Just as much as anything else, and if the unit is not self-supporting and yet there are two adults with only one working, why shouldn't the other adult be encouraged to work?

Mr. Rosow. I think as her children get school age and she doesn't have the responsibility for them, she would come into part-time employment, probably.

Secretary FINCH. Here, again, we get back to the fundamental philosophy of it.

Mr. BYRNES. I am wondering whether you don't continue then the same disincentive you have today for her to do part-time work.

Secretary FINCH. I think we have the shortrun and long term. I think that the better long-term investment is in the children and in her spending the time with the children.

Mr. BYRNES. Let's take a situation where the children are 10, 11, 12, 13, 14 years old. She has no child under six. Let's say she doesn't even have one that would be in a day-care facility. She has children that would be at school, in grade school or high school. They are capable of taking care of themselves during part of the day because they are in school. I just wonder here whether there isn't a continuation of an inequity that we are trying to get away from, namely, we want the incentive to work.

Secretary FINCH. She could sign up but it wouldn't be a condition precedent to her getting assistance.

Mr. BYRNES. But I am asking you, though, how this incentive aspect would work for that kind of a family, how the incentive would work and how the work-training requirement, both the carrot and the stick, would work in this kind of a case under what you are proposing.

Mr. Rosow. The work incentive with regard to the earnings disregard at \$60 a month would only apply to one member of the family, so in that sense if the mother were required to work in addition to the father she would have to bear the cost of going to work and probably in our economic review of the problem she wouldn't have the same incentive, the same thrust, to get into the work situation that would be true of the first member of the family.

There is another requirement, however, in the proposed bill that children in the family over 18 who are not attending school full time would be subject to the same requirement to be put into the training and work aspects.

Mr. BYRNES. So that is why, again, I can't understand why we leave this wife out if their economic circumstances still are below the poverty level. We are still having the taxpayers pay to supplement. American society is willing to say if the family makes their best effort to take care of themselves, society should supplement in order to get the family up to at least a reasonable level. But you can't say that they are making their best efforts, in my book. If you have somebody in that family who is no different than somebody in another family who you

require to work but you say, "No, because you have a husband working that is enough for any one family." That isn't the scheme of things today. You have a lot of taxpayers paying their taxes that pay for this program, where both work in order to supplement their income and have the more affluent life.

Mr. PATRICELLI. There is one other point, Mr. Byrnes, as to why we did not make the wife subject to the mandatory requirement. The fundamental priority, that we keep coming back to, is to bring the working poor in so as to make them susceptible to the same family and work incentives that we are after. Now, bringing these working poor families, between 2 and 3 million of them, into the system, meant that such a husband would thereby make his wife susceptible to a mandatory work requirement even though she is now home caring for children even after school if they are school-age children. It really presents quite a mixed blessing and quite a mixed set of incentives for him to subject his wife to a mandatory work requirement. It muddies up the situation quite a bit.

Mr. BYRNES. But you are giving him the incentive. You are giving him under your case of a shift \$1,260 in terms of incentive.

Mr. PATRICELLI. I guess the choice would be whether or not he would apply for the benefit at all if he knew that it meant his wife would have to leave the home and go to work.

Mr. BYRNES. Well, that is an odd concept. Maybe it does exist, but I think it is something that maybe the committee will want to take a further look.

I just have great difficulty in justifying, frankly, doing something for a family unit that isn't at least trying to as much as possible to take care of its own needs.

Mr. Rosow. But if we could look at it, Congressman Byrnes, in terms of the questions we had this morning on the start-up of the WIN program and the fact that this legislation would have to face up to 1.1 million additional registrants at the inception of the passage of the act, 500,000 mothers and 600,000 men, and I think in terms of ordering our national priorities it would be well, and I think you would agree, to put our emphasis on bringing people who are not working at all into the programs and see if we can succeed with them—I think if we can't succeed with them other avenues might suggest themselves for helping other people in a secondary earnings situation in the family, but I think our challenge here is so great now and we have so many people to absorb in the program plus probably several hundred thousand or more mothers with younger children who are volunteers so we may have as many as a half million people lacking education, lacking work experience, lacking transportation, and needing child care which seems to me to be a tremendous hurdle for all of us to deal with, and I think that is our first priority.

Mr. BYRNES. As I suggested last week, I am concerned that you are geared up when this program goes into effect to take care of and to assimilate—what is it? A million families?

Mr. Rosow. 1.1 million are required to register.

Mr. BYRNES. And that is going to be a big job, but we also have to look down the road. Maybe we can set up priorities—first the male, if he is there, but certainly you could set a second level. Maybe we should make sure that we are giving some kind of an incentive to the

second person to work, rather than again revert to the old system of no incentives. We could move incentive by some device into an application to the second adult in the home. I am not talking just about the requirement to work but also some kind of an incentive so that the unit itself is making its best effort. Rather than just saying one adult in each household shall make a good effort, we could say the family unit shall make an effort.

That is all, Mr. Chairman.

Mr. BOGGS. Mr. Fulton?

Mr. Gilbert?

Mr. GILBERT. Thank you, Mr. Chairman.

Mr. Secretary, on October 17 of this year you submitted a report to the Ways and Means Committee at the request of Chairman Mills with respect to a review of aid to families with dependent children in New York City. This report received a tremendous amount of publicity in New York and, of course, it engendered a great deal of conversation, particularly the revelations that 10.7 percent of the AFDC families on the rolls in New York City were ineligible, that 34.1 percent of the AFDC families received overpayments, and that 14.9 percent of the AFDC families were underpaid.

Now, the amounts of money involved here, if they are accurate, are absolutely shocking. You say here that payments to ineligible families amounted to about \$3.5 million per month, overpayments to AFDC families amounted to \$2.8 million per month, and underpayments to families amounted to \$389,400 a month.

I ask you, Mr. Secretary, may I presume these estimates and figures are fairly accurate?

Secretary FINCH. As to the techniques and the accuracy, I would like, if I may, to let Mr. Meyers respond to that, because he was intimately involved with the problem and the program. I would say, Mr. Congressman, that this very kind of situation is why we think it is imperative that we move to a national set of standards because, as you know, the situation in that city may or may not be typical of many of the other areas we have talked about in this hearing this morning, Detroit, even, or Chicago, or Los Angeles, but I think Mr. Meyers can speak directly to your question.

Mr. GILBERT. Yes, sir.

Secretary FINCH. Mr. Joseph Meyers.

Mr. MEYERS. I think the figures are relatively in the same kind of ball park that we have been talking about. There have been some estimates. You see, these are projections that are made from taking a sample, a rather small statistical sample, and coming up with an eligibility rate and then projecting the amount of dollars that would be involved if you put it across the entire caseload. The estimates based on that have ranged from somewhere between \$60 to \$70, \$72, \$73 million as the amount of money that would be involved if you took this on the entire caseload.

Mr. GILBERT. Well, where was your sampling made in New York City?

Mr. MEYERS. Where?

Mr. GILBERT. Yes.

Mr. MEYERS. It was made from a randomly selected sample of cases from all of the districts in New York picked without, you know, any

selectivity, but on a random basis, so it covered your entire spectrum of centers in New York City.

Mr. GILBERT. Would you say that this was a defect in the administration of the program?

Mr. MEYERS. Well, it was probably a combination, Mr. Gilbert. New York has a very complicated eligibility determination system. They have had a lot of individual determinations in the area of what are called special needs, people need special items in addition to the basic items, and individual determinations have to be made of those items. This in and of itself presents a very difficult administrative problem.

Secondly, there had been serious problems in New York City with staff turnover. There were serious staff turnover problems and the average age of the workers that they were able to recruit was quite young, quite a few inexperienced workers. A combination of factors that led to this, I think.

Mr. GILBERT. What do you mean by an overpayment?

Mr. MEYERS. An overpayment means that the family was eligible for assistance but somehow the computation of the amount they got was wrong. In other words, maybe if you really look at it and computed the whole thing out, maybe the family should have gotten \$215 and instead they got \$240. There was just an error in computing the amounts, not mechanical error, but judgmental determinations, really, is what it amounted to.

Mr. GILBERT. What do you mean by an underpayment?

Mr. MEYERS. Underpayment is the same thing except that somebody didn't get what he was supposed to because, again, of a mistake or an error.

Mr. GILBERT. But the overpayments far exceeded the underpayments, according to your report.

Mr. MEYERS. Yes, sir, they do.

Mr. GILBERT. You also have people on here that were ineligible and you say 10.7 percent. Does that mean 10.7 percent of all the people that are eligible for AFDC or AFDC families?

Mr. MEYERS. No; and, incidentally, our report indicated 9.4 percent, but 10.7, I think, is the figure which was used by the General Accounting Office in their followup report. That figure was the percentage of ineligibility as we projected of the aid to dependent children caseload. Take your total caseload and this was the percentage that we determined were ineligible.

Mr. GILBERT. Would you say that these statistics are a valid example of the situation as it exists in New York?

Mr. MEYERS. I think so; yes, sir.

Mr. GILBERT. Is there anything that you suggest to correct the apparent situation that exists in New York.

Mr. MEYERS. Well, some things have already happened, Mr. Congressman. The State legislature, for instance, has gone quite a way to simplifying the eligibility conditions so that from now on there will not be as much need for making these detailed individual computations. I think that will be of some help. The city itself has already inaugurated a new kind of cost accounting control to check on this thing. This was a joint study, I might mention, of both the State and the Federal department, and we are looking now at the results in order to come up with some suggestions for improvement.

As I say, some steps have already been taken, but we hope to come up with something that will keep it from happening again.

Mr. GILBERT. Does this bill address itself, or your bill address itself to this problem that New York apparently has, and I would presume that probably many of the larger cities have a similar type of problem.

Mr. MEYERS. I think it is a fair inference that there might be some similarities in the other large cities although we do not have the hard data to back that up.

Mr. GILBERT. My next question was, does your bill do anything to address itself to this problem?

Secretary FINCH. I am sorry, Congressman?

Mr. MEYERS. Does our bill address itself to the problem?

Secretary FINCH. We believe it does in terms of simplified administration, Congressman. Also you do have a unique situation in terms of the maintenance effort or program in New York which would not be true of the other large cities.

Mr. GILBERT. May I ask if this situation exists in other cities, what are you doing about it in these other cities?

Mr. MEYERS. Would you please repeat the question?

Mr. GILBERT. I said if this situation exists in other cities, what steps are you taking to correct it in other cities? What is being done about it?

Mr. MEYERS. We are taking a good hard look at our current method of trying to keep check and make evaluations of what is happening in the program. We have had in effect for a great number of years now a system that we call a quality control system which the States are required to maintain which, again, uses this sampling technique to try to spot and throw up alert signs when defects in the system occur so that you can take corrective action.

The study we made in New York told us, unfortunately, that although the system alerted us to some situations it had not alerted us to some others and so, obviously, it needs some correction. We now have a study group working on a correction of the overall system so that we can be sure that we have a tighter control across the Nation.

Mr. GILBERT. You are talking about a tremendous amount of money here. You are talking about \$3.5 million a month. I think that this requires immediate attention.

Mr. MEYERS. And we are giving it immediate attention, Mr. Gilbert.

Mr. GILBERT. Thank you.

Mr. Secretary, I would like to return to some of the social security provisions, if I might. The cost of living index has already increased by about 8.2 percent since the last social security increase and in all probability the cost of living will go up another two or three points even by April of 1970.

In any event, it will have increased by more than 10 percent by that date.

Now, doesn't that mean that the benefit increase that you propose will not even permit the beneficiaries to move ahead slowly in the losing battle that they have been fighting against the cost of living?

Secretary FINCH. You are talking now solely about the social security program?

Mr. GILBERT. Social security; yes, sir.

Secretary FINCH. I would let Mr. Ball speak to that; Commissioner Ball.

Mr. BALL. Mr. Gilbert, the situation that you pinpointed there is the main reason why we feel so strongly that we need to write into the law a provision for an automatic benefit increase on into the future, so that people would not have these long delays before congressional action to restore purchasing power, but on your specific point about 10 percent, the President's commitment is really to keeping up with the cost of living. As you say, it has been about 8 percent so far. If in the course of the committee's deliberations it rose beyond 10, we would have to consider at that point what the correct amount would be. We still have some leeway as far as the 10 percent is concerned at the present time.

Mr. GILBERT. Well, I don't see where you have much leeway. You are talking about 8 percent now where you know it has gone up at least a little over 8 and you know the cost of living is rising almost every month at a tremendous rate and if you only come in with 10 percent, the people that are receiving social security are continuously going to fight a losing battle. I don't know why you aren't more realistic in your approach.

Mr. BALL. I wouldn't really want to argue with you as to whether it is going to be 10 or 11 percent at the point of the effective date of the bill, but I would say that in the past the committee has usually moved in its cost of living increases to the point to which the cost of living had risen at the time they considered the legislation. I presume in executive session that will be looked at this time.

Mr. GILBERT. Well, may I ask you this, because even this 10 percent that you propose—and when I say "you" I mean the administration—doesn't reflect a true 10 percent because the provisions of your bill ask for an increase in the medicare payment premium. Isn't that correct?

Mr. BALL. Well, the bill doesn't do that, Mr. Gilbert. I don't want to quibble with you because it is unquestionably true that in December the Secretary will need to promulgate a higher premium rate for the following fiscal year.

Now, the higher premium rate will be for a more expensive risk. It isn't solely that more money is being charged; it is that the risk of covering medical bills has become a more expensive risk than it used to be as medical costs have gone up.

Mr. GILBERT. Well, what do you think the increase in the premium would be?

Mr. BALL. We haven't made a final decision yet, because, Mr. Gilbert, we like to get the very latest information; have the statistics right up to date, before we come down on the exact figure. And, of course, we have until the end of December. But it is quite clear that it is going to have to be a substantial increase. If I could just take you through the situation for a moment—it is our best judgment now that the \$4 rate was slightly too low for the period that it was first promulgated for, that is, the 15 months that ended last June.

Roughly speaking, it probably should have been, oh, maybe \$4.20 or \$4.30 instead of \$4.

Now, for the period that former Secretary Cohen promulgated the continuation of the \$4 rate, for the period we are in now, that 12 months, it is very clear that the \$4 figure is substantially under what the plan is actually costing and it is probably going to turn out that it is even more expensive than the premium rate the actuaries had recommended.

Mr. GILBERT. What did the actuaries recommend?

Mr. BALL. They had recommended for this present period \$4.40. It looks as if it will be somewhat above that for the current year. That means that in December the Secretary is going to need to promulgate a rate for the next fiscal year that is building not on an experience of \$4 but on an experience very substantially above \$4, and it seems quite clear that the rate will be somewhere above \$5, but we haven't come down on the exact amount.

Mr. GILBERT. That is right, so you may have a couple now paying \$8 that is going to pay \$10 or \$10.50.

Mr. BALL. As compared with the present \$8, that is correct.

Mr. GILBERT. So this, in effect, is going to reduce the amount of benefit they are going to receive in the increase in social security?

Mr. BALL. You can look at it that way; yes, sir.

Mr. GILBERT. I think that is the only way to look at it.

They are not getting exactly what you are saying they are going to get and if you are deducting out of their check for this additional premium, then the 10 percent isn't even 10 percent.

Mr. BALL. They will have less cash for other things, as you say, Mr. Gilbert, because of that —

Mr. GILBERT. So that for their daily services, to buy their bread and their butter, they are not just going to keep up with the cost of living, and this is the point. I think that you should take a hard look at this question, as to the amount of increase you are recommending, because this 10 percent is certainly inadequate. In my opinion, a 20-percent increase would more adequately meet the needs of these people and I would suggest that you address yourself to that problem.

Since the present contribution schedule without any change could finance at least a 15-percent increase in benefits, and in view of the abject need of the large majority of our elderly, would it be fair to use this surplus to finance a more adequate benefit instead of cutting back on the contribution rate?

Mr. BALL. Well, the statement that was made earlier that the present contribution schedule could support a 15 percent increase was in the setting that you could not have any other benefit improvements in the program. If you have the improvements in widow's benefits and the age 62 computation for men, then it would not be possible to have a 15-percent increase without additional financing.

Now, I believe perhaps this point should be brought out: The stretching out of the schedule for the cash benefit program, as I indicated on the chart the other day, does reduce the long-range balance of the program about a quarter of a percent of payroll, and sticking to the exact schedule in present law would save that amount. It would not be enough for a 15-percent increase, but for somewhat more than 10 percent. I think the trouble with that, though, Mr. Gilbert, is that it raises a question of policy concerning how this system should be financed. I believe over the years this committee and the Congress and the executive branch and the advisory councils have felt that it was not wise to build the long-range financing of this program on a huge trust fund of many hundreds of millions of dollars with large interest earnings on such a reserve. That is what would take place if you allowed these rate increases in 1971 and 1973 to go into effect. What we are proposing is a modest stretch-out in the contribution schedule to

keep surpluses of \$15 billions of dollars a year or more from coming into this fund and having current contributors paying more toward social security than there is any need that they pay in terms of the short-run financing of the program.

So I would be personally quite reluctant to raise a major part of the long-range financing by keeping this schedule accelerating so rapidly that you build a huge fund, as the present schedule would do.

Mr. GILBERT. Actually, I don't see the purpose of building a huge fund when you have people that are in need of money at this time and I think the object of social security is to get the money to the people that need it as fast and as rapidly as possible.

Mr. BALL. But, you see, if you increased the benefits to 15 percent—if you were to do that—the present schedule in the law would still, in spite of the 15-percent benefit increase, build huge reserves, and I would just suggest to you that if you favored an increase of more than 10 percent, as I know you do, the long-range financing for that should be raised in some other way than near-term contribution rate increases of the size that builds such huge reserves.

Mr. GILBERT. Would you suggest it come out of general revenues?

Mr. BALL. No, I am not making such a suggestion.

Mr. GILBERT. Well, I would make that suggestion.

Mr. BALL. I think you have the alternative of higher rates at a later point and you have the alternative of a higher earnings base. But just to stick with this schedule, I think, goes against the best judgment of most experts on how to finance the system for the long-run.

I might point out, Mr. Gilbert, in relation to your earlier point about the cost of living and the increase in the premium for medical care, that, of course, part of the increase in the cost-of-living index is a reflection of this higher medical care cost. The fact that we have to charge a higher premium, as I indicated earlier, really means that you are paying more for greater protection—that is, the protection against the cost of a higher level of medical costs.

Mr. GILBERT. Mr. Secretary, I wonder if I can have a policy statement from you with respect to the policy of the Government and the administration on benefit increases. What is the policy of the Government with respect to this?

Secretary FINCH. Well, I think if you are talking again with respect to social security, Mr. Ball has articulated it very well. I think it is certainly true that there is some difference of opinion among the economists about whether or not we are on this escalator irrevocably.

The President in his speech the other night indicated that there were some indicators which suggested a turn. We have tried to attack the problem you are talking about through this cost-of-living automatic increase in benefits and I think that the 10 percent is responsive when coupled with the automatic increase.

Mr. BALL. Mr. Secretary, could I add just one other point?

That is, Mr. Gilbert, as the President's message indicated, these proposals that he has made at this time are the immediate proposals that seemed so clear that it was desirable to move ahead with them immediately; to raise benefits to take account of the cost of living and to get that problem settled, to make some changes in the retirement test, to improve benefits for widows, and so on. But at the same time the President's message recognized that we have, as a result of the statute,

an advisory council that is currently examining all aspects of social security, and it is expected that there will perhaps be additional proposals as a result of their work—perhaps a more definitive statement on the desirable level for benefits, and that sort of thing.

Mr. GILBERT. May I say that I think that the administration's bill is totally inadequate in meeting the needs and the challenges of our times, and particularly the needs of our senior citizens who require the money now, and I think the administration should address itself to the problem at this particular point.

Now, Mr. Secretary, the previous administration appointed a task force to study coverage of prescription drugs by the medicare program and this task force endorsed this coverage. Shortly after you assumed office you appointed a committee to study the task force report and make recommendations on the subject, and this committee, your committee, also recommended coverage of prescription drugs by the medicare program.

Now, outside of some statement at one time from your public information office, I haven't heard anything further and I wonder what happened to that report.

Mr. BALL. Mr. Gilbert, the Secretary has directed an administrative study to determine what would be the best way to bring prescription drugs under the medicare program. He has asked us to determine its administrative feasibility and the best arrangements.

As I am sure you are aware, this is not solely a question of desirability and need, but the fact that we are dealing here with the type of coverage where there are a very large number of small bills—I presume the average prescription might be around \$4—and yet the actual handling of these bills administratively, if you were to go about it the way we have under the voluntary supplementary insurance program today, would mean a very high administrative cost relative to the protection afforded. We are concerned that we not move into a system where a lot of the benefits are used up in administration. To give you a little feel for the size of the problem: we handle under the voluntary plan now for physicians' bills about 40 to 45 million bills a year. If you were to add to that all the prescription drugs for older people it might add another 400 million bills, and that would constitute quite an overwhelming task.

If we move into this, we want to move into it on a gradual basis under circumstances where we can be reasonably sure that we can do a good job administratively.

There are some promising possibilities. There is the possibility of setting this up with a relatively limited type of coverage in the beginning, say, for the so-called maintenance drugs that are primarily prescribed for people with chronic illnesses. Another possibility is to have quite a high deductible applied to the drug bills. The Secretary has ordered us to study the administrative alternatives.

In a larger context, though, the advisory council that I referred to earlier has the task of weighing one type of improvement of the program against other types of improvements in the program.

There are many things that just from the standpoint of benefit protection would be desirable, but you have to weigh all this against the higher contributions that people have to pay and you have to get a sense of the priorities, so even though I think one could say that prescription

drug coverage under Medicare on an administratively feasible basis and in a limited way would be desirable, the issue becomes, is it more desirable than something else. Proposals beyond those the President has recommended would ultimately require people to pay more for the additional protection.

So the council will be helping us with assessing the priorities of one of these proposals versus the others.

Mr. GILBERT. With the thrust of your argument, Mr. Ball, you seem to indicate that it is a problem of administration, of mechanics.

Mr. BOGGS. We will have to suspend now and come back at 2 o'clock.

(Whereupon, at 12:23 p.m., the committee recessed, to reconvene at 2 p.m., the same day.)

#### AFTERNOON SESSION

Mr. BURKE (presiding). The committee will be in order. I believe when we recessed Mr. Gilbert was questioning.

**FURTHER STATEMENT OF HON. ROBERT H. FINCH, SECRETARY OF HEALTH, EDUCATION, AND WELFARE; ACCCOMPANIED BY HON. JOHN G. VENEMAN, UNDER SECRETARY; HON. ROBERT M. BALL, COMMISSIONER OF SOCIAL SECURITY; HON. MARY E. SWITZER, ADMINISTRATOR, SOCIAL AND REHABILITATION SERVICE; HON. ARTHUR E. HESS, DEPUTY COMMISSIONER OF SOCIAL SECURITY; HON. ROBERT E. PATRICELLI, DEPUTY ASSISTANT SECRETARY; HON. HOWARD A. COHEN, DEPUTY ASSISTANT SECRETARY; HON. CHARLES E. HAWKINS, SPECIAL ASSISTANT TO THE ADMINISTRATOR, SOCIAL AND REHABILITATION SERVICE; HON. ROBERT J. MYERS, CHIEF ACTUARY, SOCIAL SECURITY ADMINISTRATION; HON. JOSEPH MEYERS, DEPUTY ADMINISTRATOR, SOCIAL AND REHABILITATION SERVICE; HON. JULE M. SUGARMAN, ACTING DIRECTOR, OFFICE OF CHILD DEVELOPMENT, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE**

**HON. JEROME M. ROSOW, ASSISTANT SECRETARY OF LABOR FOR POLICY DEVELOPMENT AND RESEARCH**

Secretary FINCH. That is correct, Mr. Chairman.

Mr. BURKE. I want to apologize for being late, but a quorum call took place on the floor of the House.

Secretary FINCH. Mr. Chairman, if I may, I would like the record to show that in addition to the persons present when we had the morning session, Mr. Jack Veneman, the Under Secretary, has joined us.

Mr. BURKE. We are happy to have the Under Secretary with us again.

Mr. GILBERT. Mr. Secretary, what would happen to the surplus in the trust fund if we increased social security to 20 percent, and we maintained the contribution rate at the same level?

Secretary FINCH. Before responding to that, can I respond to the question that I did not have a chance to answer that you put this morning, Congressman, with respect to the addition of drugs?

Mr. GILBERT. Yes, sir.

Secretary FINCH. I want the record to be complete in that respect.

Apart from the studies that the Commissioner discussed, and the logistical problems, and all of the additional administrative burdens, we are very definitely convinced in this Department that there is a clear-cut advantage in terms of the chronically ill to the use of these drugs on a maintenance basis to keep the chronically ill out of the acute facilities, but I don't think we can get it expedited this year.

As the Commissioner indicated, I don't know to what extent we can, or what mechanisms we can create to respond to this problem, but we have these three groups at work on the problem, and I think we will be able to get at it next year, and include an expanded drug coverage.

Mr. GILBERT. In other words, you look forward to including drug coverage?

Secretary FINCH. Yes, sir.

Mr. GILBERT. Thank you.

Secretary FINCH. With regard to the question you just posed, I think our actuary, Mr. Myers, can speak to that.

Mr. MYERS. Mr. Gilbert, your question, as I understand it, is if benefits were increased to 20 percent across the board, and the present contribution schedule were maintained, what would happen to the balance in the trust fund.

Mr. GILBERT. That is correct.

Mr. MYERS. The answer to that question is that for quite a number of years there would be quite ample income to meet the outgo, say for at least 10 and perhaps 15 years, but thereafter the outgo, which would be steadily rising, would require a higher contribution rate than the 10 percent in present law for the employer and employee combined for old-age, survivors and disability insurance.

Mr. GILBERT. What would you think the increase in the contribution might have to be at that point, the 10 years hence, as you are projecting yourself?

Mr. MYERS. I would think, just offhand, and I have never made these specific calculations, that as a rough measurement the ultimate contribution rate, instead of being 10 percent, would have to be something like 10 $\frac{3}{4}$  percent, running say from 1980 or 1985 on.

Mr. GILBERT. As to this yellow booklet of yours, I am not sure if I have it correctly. It says estimated progress of the cash benefits trust fund, under 1970, under the present law, it would have been 6.8, and under your proposal it is 6.1. Is that correct? Finally, in 1973, it catches up with 1970, to 6.8.

Mr. MYERS. Mr. Gilbert, I am sorry. I have the figures in front of me now, but I did not get your question.

Mr. GILBERT. The point is that you show that under your proposal that the contributions should be decreased for 1970, for 1971, and 1972. Then, in 1973, it goes up to 6.8, which is the same as it had been in 1970. Why do you recommend this provision?

Mr. MYERS. The reason that this provision was recommended was so that the growth in the trust fund would not be as rapid as it would be under present law.

I think you are quite correct, that if higher benefits were paid, of course, this also would slow down the growth of the trust fund.

Mr. GILBERT. Correct.

MR. MYERS. What it would mean is that eventually there would have to be a higher contribution rate than under present law to make up for the higher outgo that will ultimately materialize.

MR. GILBERT. Well, you are going to find that even under your proposal there is going to be a higher outgo of the trust fund moneys, if you are going to have the amount that you receive based upon the cost of living index, so that there is going to be a built-in increase, in any event.

MR. MYERS. It is correct that a cost of living increase will decrease the excess of income over outgo in future years. There is also the difference in what we were discussing: namely that under the proposal the earnings base would be automatically adjusted upward. When we were talking previously about a straight increase of 20 percent in the benefits across the board, with the present tax scale, I was assuming also that the earnings base would stay fixed as in present law.

MR. GILBERT. No, the earnings base would have to be more realistic. You could not have your same earnings base as you have today.

I think they are out of line at the present time: that is, your earnings base. The figure that we base our earnings on certainly is not realistic with the times in this inflationary period, and the amount of moneys that people are earning.

MR. MYERS. The earnings base in the bill, which would be raised to \$9,000 in 1972, is exactly in line with what the earnings base has been in the last 20 years.

MR. GILBERT. Well, you may be right statistically, and I presume you are, but I have a sneaking suspicion, and it might be just my own little computer, that I don't think \$9,000 is a realistic figure, particularly with respect to the amount of moneys that people are earning, the income level that people have. I think it is going up at a much more rapid rate. We would have to look at that again more carefully.

MR. MYERS. I can assure you that the \$9,000 in 1972 is almost exactly at the same level as, say, \$3,600 was in 1951, when the \$3,600 was first enacted.

MR. GILBERT. You say in 1972?

MR. MYERS. Yes.

MR. GILBERT. I hope you are right, but I doubt it very seriously. I have just one final question.

MR. SECRETARY, there was a Commission appointed by President Johnson known as the Heinemann Commission. I wonder if they have ever made a report.

SECRETARY FINCH. The final report has not come in yet. I have met several times with Mr. Heinemann. The final report is not in yet, Congressman. I have met several times with them, and had discussions about this problem. I think the last I heard was sometime in December.

MR. GILBERT. I wonder for the record if you would tell us what the duties of this Heinemann Commission were. What type of Commission was it?

SECRETARY FINCH. My recollection was that it was to review all income maintenance proposals that were then suggested to the White House, and which had been suggested from the floor of Congress.

It is a very comprehensive study, Congressman, as I understand it.

MR. GILBERT. Yes, and I was just wondering if you had consulted with this Commission, and if some of your proposals were in line

with their suggestions, or what the situation is at the present time.

**Secretary FINCH.** I would not want to try to quantify it as to percentage, but there is a reflection of some of the work. Some of the personalities have also worked on our task forces in developing this.

I would not want to prejudge the final report, because I have not seen the final report.

**Mr. GILBERT.** Just one final question.

Mr. Ball, what do you think about the question of having part A and part B of the medicare combined, so that when a person retired, they would not have to look forward to paying any moneys under part B of the program?

**Mr. BALL.** Mr. Gilbert, I think that is one of the long-range questions that we will be asking this statutory advisory council to consider.

I think there are lots of pros, and lots of cons, on that proposal. It would not be an easy decision.

I know that when this committee set up the medicare program in the first place, many members of the committee valued very highly the concept that the coverage of physicians would be on a voluntary basis, and of course if you made the combination, that would no longer be so.

On the other hand, on the pro side, there is a lot, I think, to be said for the idea that just as in hospital insurance, if people can pay for this while they are at work during their working years, and have in effect a paid-up protection in retirement, that is an economic advantage to them.

There are many other pros and cons on it that I think have to be very carefully evaluated. We have not, in the administration, taken a view on this as yet.

**Mr. GILBERT.** Thank you.

Thank you, Mr. Chairman.

**Mr. BURKE.** Mr. Schneebeli.

**Mr. SCHNEEBELI.** Mr. Secretary, with particular regard to the welfare reform recommendations—

**Secretary FINCH.** Yes, sir.

**Mr. SCHNEEBELI** (continuing). Your proposals have been abroad for a long enough period of time to have gotten some sort of reaction from the public.

With particular reference also to the metropolitan media, where this will have its greatest impact, what has been your general public reaction in the press and from other media, from other commentators, that you may have gotten to your proposals? Is there any general pattern?

**Secretary FINCH.** I would say, conservatively speaking, it has been overwhelmingly good, and I use those words very carefully.

As a result of a question very much like that raised earlier, we have with us, and would like to enter into the record, a summary of that press, particularly in the larger industrial States.

**Mr. SCHNEEBELI.** If your compilation is not too voluminous, Mr. Chairman, I would like to ask that this reaction, particularly with regard to editorial comment, might be included in the record at this point.

**Mr. BURKE.** Without objection, it is so ordered.

(The documentation follows:)

ANALYSIS OF INITIAL EDITORIAL, COLUMNIST, MAGAZINE AND PUBLIC OPINION  
REACTION TO THE PRESIDENT'S WELFARE MESSAGE

SUMMARY OF REACTION TO THE PRESIDENT'S WELFARE PROPOSALS

*1. Editorial comment*

About 95% of the editorial comment from newspapers throughout the country was favorable to President Nixon's welfare proposal. The major newspapers in nearly all of the twenty-five largest metropolitan areas were enthusiastic about the sweeping welfare reform.

*2. Columnist reaction*

Columnists characterized the Nixon welfare proposal generally as "historic," "bold" and a "new humanism." Support for the proposal from the outstanding political writers in the country was nearly unanimous. James Reston's statements that "the President's poverty speech itself is a significant and even historic document and that "Mr. Nixon has taken a great step forward" are representative of the responses of many of the columnists.

*3. National magazines*

Business Week commented that the President's proposal for welfare reform was "a new and promising approach to a problem that never could be solved within the framework of the old system." Newsweek referred to the reform package as "sweeping" and "innovative." These statements fairly summarize the commentary of the national magazines.

*4. Gallup poll*

The Gallup Poll as reported in the Washington Post August 31, indicated that those of the public who favored the President's welfare proposals outnumbered those who looked on them with disfavor by better than 3 to 1. Sixty-five percent of those who had heard of the President's proposals favored them, 20 percent did not and 15 percent had no opinion.

Attached you will find a memorandum analyzing the editorial, columnist and national magazine commentary, and the public reaction to the President's proposals.

ANALYSES OF INITIAL EDITORIAL, COLUMNIST, MAGAZINE AND PUBLIC OPINION  
REACTION TO THE PRESIDENT'S WELFARE MESSAGE

1. THE EDITORIALS

The overwhelming majority of newspaper editorials approved the general outlines of the President's proposals. What impressed them most was the "boldness" of the plan, the fact that it meant a sweeping revision of the "thrust" of government, and that with it all—still provided for a move toward decentralization and positive steps to reduce the welfare load.

The Los Angeles Times stated that "President Nixon laid out a bold new blueprint in his televised address on welfare and other domestic matters."

The Boston Herald Traveler stated that "the thrust and scope of welfare reform under the 'New Federalism' deserve to be cheered."

The San Francisco Chronicle editorial on the welfare message was also favorable. It stated that "Dissatisfactions with things as they are broad and deep, and the Nixon measure has the great advantages of being not only 'noble in purpose' but also suited to the needs of the day and the will of the people."

The New York Times is pleased with the "overall design" of the plan—"a bold attempt to transform an apparatus thrown together 35 years ago to provide temporary relief that has now degenerated into a destructive and dispiriting way of life for millions of needy Americans." But the Times thinks that the plan needs to be reshaped to "temper some of its present unfairness to the urban poor and to the taxpayers of the large industrial states. Those that carry the heaviest burden and have done most on their own to meet it."

The Philadelphia Inquirer is solidly behind the plan, especially its work incentive requirements, with one more recommendation. The Inquirer suggests that the proposed day care centers could be helped by public-spirited organizations and individuals who would offer voluntary services to assist in the operations.

The Christian Science Monitor's editorial on August 9 calls the plan "restrained in dollars but courageous in design." On August 15, the Monitor goes even further, calling it "a major watershed—socially, economically and politically." The Monitor sees a major debate ahead, perhaps some congressional revisions in the process—but thinks that the proposals have started America in a new direction in the handling of several of its sorest problems. "Recognition that welfare is a national rather than a local problem, the establishment of federal minimum standards, the creation of work incentives and the new federal aid to the working poor are practical and philosophical steps that could lead to a major national transformation," the Monitor states. The President's speech was a "landmark" in that direction.

The Washington Evening Star was only slightly less enthusiastic, saying "We applaud that decision (eliminating the old welfare system) as, in fact, we think most citizens will also agree in broad terms with the basic goals the President set forth."

In the immediate aftermath of the August 8 speech, Newsday editorialized that "it is one thing to change a national policy—and quite another to make it succeed." But recognizing the basic faults of the welfare system, the President has outlined a policy dedicated to "replacing dependency with dignity." A few days later, Newsday points up the plan's inequities in helping the heavily populated industrial states. Though unfair, says Newsday, this may be unavoidable.

Moving to the midwest, the Cleveland Plain Dealer sees pitfalls, but hopes that the basic reforms succeed. The Plain Dealer editorial of August 10 said that "The program has an admirable goal of trying to simplify the maze of welfare procedures at various levels." The Chicago Sun-Times called it a "giant leap forward" which brings into the national forum for debate a great change in public attitude toward poverty amidst affluence. The Des Moines Register says the plan takes a "middle ground, which, if approved by Congress, would represent the most important and thoroughgoing overhaul of the federal-state welfare apparatus since its erection in the 1930s."

The Milwaukee Journal was more cautious in its editorial. It saw more objections than did the Register—calling some aspects "fuzzy around the edges" and noted the difficulties of enforcing the work requirements, and the inadequacy of the "minimum" income. In sum, said the Journal . . . "the President set forth challenging proposals. His thoughts on welfare, representing much of the distilled wisdom of three decades of criticism, may especially mark a turn for the better."

In Detroit, the Free Press reacted immediately with an editorial calling the welfare plan "more radical than virtually anything done by the Johnson administration." A few days later, the Free Press says that reform is imperative, since those on the dole are in revolt and those who pay for it are also in revolt. "The status quo is no answer—so the President's attempt, complicated and controversial as it is, is a better way to go."

In the South, the Atlantic Constitution agrees with the need for welfare reforms, and clearly hopes that the program is the answer.

The Constitution states "what the President seeks is in large measure surely worthy \* \* \* the nation, more affluent and calmer now than in other times, should be willing to agree that welfare needs new direction." The Constitution argues, the reorganization of welfare is needed, and the paper urges its state's representatives in Washington to "consider the program with thoughtful sympathy."

The Miami Herald likes the work incentive, get-the-poor-off-the-welfare-rolls aspect of the plan, reminding us that people thought in 1934 that was the objective of the original welfare plan. Their opinion—"whether or not it works depends on the way it is administered."

Despite a few words about vagueness of specifics and a delay likely to be caused by Congress, the Louisville Courier Journal believes that the President has made a step in "the right direction."

The Greenville (S.C.) News says it would be impossible to find an easy way out of the welfare mess, but the President's program seems to them to be "fairly sound." The Greenville News particularly likes the job training requirements, and the turning over to the states of more control, calling that part "definitely in order." Considering all the complexities of "America's chief domestic problem," Mr. Nixon's program "deserves sympathetic consideration."

The Nashville Tennessean on August 11 saw both drawbacks and merits in the proposal, but regretted that the President chose to confuse his presentation with seeming contradictions and unnecessary complexity. "The President spoke

as if he were half ashamed of recommending a guaranteed annual income. He shouldn't be. The guaranteed annual income is a respectable principle of modern industrial society. It has been advocated by some Democrats for years."

Other southern papers had different views. The Jackson (Miss.) Daily News doesn't like national welfare standards—period. Yet the Birmingham (Ala.) News likes the "gradual" approach to work incentives and hopes that Congress approves the proposal. "President Nixon offered a realistic proposal for welfare reform Friday evening. \* \* \* The Birmingham News believes that the approach which he recommends is far more likely to achieve the desired end than the monstrosity which has grown up in the land over the past 35 years. We hope Congress authorizes this promising attempt to clean up some of the more scandalous features of the present welfare system." The Columbia (S.C.) State said its first impulse after hearing the speech was negative, because of its admitted conservative ideology. But on further reflection, the State said, "there are several realities that cannot be ignored. At least it is a new approach, takes care of the objections to the present system, and gives the South a great economic benefit." What still worries the State is the \$4 billion cost, and therefore it is giving the President "A" for effort, but reserving judgment until debate begins in Congress.

In its editorial, the Nashville Banner said "It is no leap in the dark President Nixon has advocated in his proposed overhaul of the nations "welfare" system; but a reasoned reorientation to both needs and resources in a pattern of enlightened corrective action carefully explored. \* \* \* In studious attention to facts of needs, and formulation of policy adjusted to unquestioned factors of long-range national and public welfare, the President clearly has met his own responsibility."

Other editorial writers who took a positive point of view toward the program generally did so with their eyes wide open to possible defects in the plan. Representatives of this type of thinking, in general, were the Arizona Republic (which was especially pleased that the President included the "working poor" in the ranks of those eligible for assistance), the Oklahoma City-Time (which is hopeful that the "great debate now begun on welfare will cause others to come up with good suggestions, too,) and the Indianapolis Star (which called the program "a sound new approach \* \* \* sorely needed").

The Washington Daily News generally agreed with the proposal—but warned that the work training aspect is vital, and that "intelligent organizing" of those programs would be the key to success. The Portland Oregonian admits to concern that the "New Federalism" could work out to be just as bureaucratic a monstrosity as was the New Deal, but nevertheless hopes "a different approach will be effective." "Congress will butcher his proposal at its peril" the Oregonian comments.

## 2. THE COLUMNISTS

The syndicated columnists were fairly objective, so far as their individual political persuasions allowed, about the welfare proposal. Such liberals as Ernest Furgurson of the Baltimore Sun, Mary McGrory of the Washington Star and James Reston of the Times were full of praise for the fact that "a conservative Republican President had recognized Government's responsibility for removing poverty" (Reston). Furgurson even says that "if he can marshall Congress and the public behind this effort, maybe he will be the one to set the country's sights beyond the moon—not to Mars, but to the deterioration of America itself."

James J. Kilpatrick of the Washington Evening Star wrote, "If the Nixon plan gains acceptance, most of the evils of the present system would be rooted out." He added, "In my own view, a preliminary look at the plan discloses much more good than ill.

Support for the President's welfare proposals also came from Max Lerner, who wrote in the Los Angeles Times as follows: "I go along with the intent \* \* \* I welcome this step of his \* \* \* towards the liberal banner, using that term in the sense of what advances the concern for human beings and the quality of life while it conserves the social contract."

Harriet VanHorne of the New York Post says she must eat the words she wrote before the election, that no matter who was elected, the human condition wouldn't change. She suspects that the \$1,600 year is only the beginning—that with the Nixon plan we have "turned an historic corner" \* \* \* "We're on our way," she exults.

The Drummonds term the plan "the most far-ranging, ground-breaking, daring social welfare reform since the early years of the New Deal."—"Richard the Cautious has become Richard the Bold," they write obviously pleased.

But liberal James Doyle of the Boston Globe thinks the program is almost certainly too little and very late, destined to be bogged down in bitter debate in Congress. David Broder of the Washington Post rather surprisingly, is bitter about the "gradualism" inherent in the plan—which he admits is otherwise "sweeping." He recalls that the Kerner Commission has warned that we are moving toward two societies. "The welfare plan does not offer any hope that this trend will be changed overnight."

Richard Wilson is decidedly pleased, calling it an understatement to say that the Nixon plan is "bold." "It is a reform to be compared with the original adoption of the Social Security Act in 1936 and its later expansion in the form of Medicare." He cites the priority placed on work and work training as the most important single principle of the plan, saying that if that principle survives congressional scrutiny, then the problem that bothers the public most will have had at least a partial answer.

David Lawrence terms it a "New Humanism" rather than a "new Federalism"—asserting that Americans have always had a humanitarian instinct, and that with millions of poor who can't make a decent living or find a job, the President realized that the situation couldn't be allowed to drift haphazardly.

Judd Arnett of the Detroit Free Press calls the welfare reforms "downright amazing," especially when you remember that Richard Nixon is a Republican. He warns the provisions are complex and that one should be sure he understands them before writing his Congressman to urge support or defeat for the legislation. He worries out loud about the monumental paperwork that will be needed to administer the program fairly, but winds up: "when you come right down to it, what else is there to do?" \* \* \* "Reform is long overdue so Richard Nixon has tackled it, head on. Amazing man, isn't he?"

Washington Post financial columnist Hobard Rowen calls the proposals—welfare, tax sharing and tax equity—"far reaching, \* \* \* far more liberal (and practical) than any of his political opponents would have guessed."

In a lengthy explanatory article in the Washington Post's Outlook section, Alice M. Rivlin, former assistant secretary of HEW, and Worth Bateman of the Urban Institute give a fairly balanced view of the alternatives to the unworkable system that the President faced in making his basic decision. Their conclusion is that while the program is far from an ideal income maintenance plan, and that it leaves many questions unanswered, the President is to be commended for his courage in proposing a substantial reform. It is to them but a "first step" in a generation toward a really workable income maintenance system.

Edwin Dale, Jr., in a New York Times Sunday column, echoes the opinion that the welfare proposal as well as the tax sharing plan "amount to a genuine revolution," probably the equivalent of President Roosevelt's launching of Social Security a third of a century ago.

### 3. THE NATIONAL MAGAZINES

#### *Newsweek*

"\* \* \* For more than six months, Richard Nixon bided his time, husbanding his domestic program. \* \* \* Then last week, in a brisk 35 minutes of national television time, he unlimbered a set of reforms so sweeping that even some of his own Republican Cabinet officers were left gasping for conservative breath, and some of his sternest foes had to hark back to the heyday of Democratic activism for a comparable summons to innovation in social policy."

#### *U.S. News & World Report*

"\* \* \* Mr. Nixon blueprinted a sweeping program of welfare reform, including a form of guaranteed annual income for the poor. He zeroed in on other domestic problems—manpower training to cut ranks of the unemployed, revenue sharing to help ease the plight of cities, revitalization of the war against poverty \* \* \* The most massive overhaul of U.S. social-welfare programs since relief was started 34 years ago in the midst of the Depression has just been charted by the Nixon Administration."

#### *Business Week*

"President Nixon's proposal for reforming the nation's floundering welfare system could easily turn out to be one of the major achievements of his Administration. The plan that he submitted to Congress this week is far more than just an ingenious compromise of opposing viewpoints. It is a new and promising approach to a problem that never could be solved within the framework of the old

system. \* \* \* the President can and should insist on acceptance of his general framework. The principles of his proposal are sound, and the approach he is taking is the only one that promises to end the cruelties, inequities and inefficiencies of the present system."

### *The Economist*

"It is no exaggeration to say that President Nixon's television message on welfare reform and revenue sharing may rank in importance with President Roosevelt's first proposals for a social security system in the mid-1930's, which were the beginning of America's now faltering welfare state. Any one of the three main proposals in the message would rank as major legislation—indeed historic legislation—and here they are combined into one."

Other national magazines characterize the welfare proposals as sweeping and historic.

#### 4. PUBLIC OPINION POLLS

The Gallup Poll asked those who had heard of the President's proposals whether in general they had a favorable or unfavorable opinion of them. Of those who had an opinion the response was better than 3 to 1 in favor of the proposals.

Attached is a Washington Post column on the poll.

[From the Washington Post, Aug. 31, 1969]

#### The Gallup Poll

#### SIXTY-FIVE PERCENT BACK NIXON PLAN ON WELFARE

(By George Gallup)

PRINCETON, N.J., Aug. 30—President Nixon's welfare reforms win bipartisan support from the American people at this time.

In a nationwide TV address Aug. 8, Mr. Nixon set forth his new domestic program, designed to reform the welfare system, to institute revenue sharing with the state and local governments and to improve manpower training programs.

A nationwide Gallup survey conducted a week after the President's address shows favorable opinions outweighing unfavorable reaction by more than 3 to 1 among those aware of the proposed reforms.

To gauge initial public reaction to the Nixon welfare proposals, these questions were asked of a representative national sample of 1,532 adults between Aug. 15 and 18:

*Have you heard or read about President Nixon's new welfare proposals?*

All those who answered "Yes" (75 percent) were then asked:

*In general would you say you have a favorable or unfavorable opinion of them?*

	Percent
Favorable -----	65
Unfavorable -----	20
No opinion -----	15

Little difference in opinion is found on the basis of the age of respondents, region of country, income level or political affiliation.

Public opposition to the proposals stems mainly from the belief that the new system does not go far enough toward meeting the increased needs of the poor.

Earlier Gallup surveys have shown widespread public support for tax revenue sharing and federally funded day care centers, two key proposals advanced by President Nixon in his address.

A January, 1967, survey found 70 percent of Americans in favor of having a percentage of federal income taxes returned to state and local governments for use as they see fit. The latest survey on the subject, conducted in May, showed 71 percent in favor.

[From the Philadelphia Bulletin, Aug. 10, 1969]

#### THE WELFARE "QUAGMIRE"

It has long been apparent, as President Nixon said Friday night, that the present system of government welfare is a colossal failure and a quagmire.

This depression-spawned program of assistance to those in need has multiplied in the number of persons participating and in the drain on tax funds—even in times of relatively full employment and affluence.

Neither the number of persons receiving welfare payments nor the costs involved are, however, the major items of concern. What has brought the current wave of protest against the system, from those who must depend upon it as well as from others, is that it simply has not worked.

The so-called categorical grants, those which care for the elderly, the blind and the disabled, have in most instances been far too low. The wholesale program of reform proposed by Mr. Nixon to Congress will help in this area by setting minimum standards and by providing a federal sharing of payments made by states above that floor.

Mr. Nixon, in calling for basic federal incomes for every poor family, will undoubtedly incur the wrath of some of his conservative followers.

What prompted Mr. Nixon to call for the first complete overhaul of the welfare system since it was created in the '30s, however, was the failure of the family welfare programs. It has long been clear that this system has contributed to the breakup of many families and has encouraged people to not work.

Mr. Nixon has asked Congress, as he said, to do away completely with this general welfare system and to replace it with an assistance program involving "equality of treatment, a work requirement and a work incentive."

Clearly, any program which tears families apart and which penalizes those who want to work is wrong. Advocating help, for the first time, to the working poor is a move toward family preservation and the maintenance of human dignity.

Mr. Nixon's insistence that everyone who possibly can work must do so will bring objections. There is a compulsive factor here which will certainly stir liberal protests. But it is hard to challenge Mr. Nixon's finding that it is morally wrong for a family that is working and striving on its own to make ends meet to have to help support anyone who can but will not work.

In his talk Friday night, Mr. Nixon merely sketched the broad outlines of his welfare reform program. The details are to be provided Congress in a series of messages. What Mr. Nixon has offered, however, is an opportunity and a challenge to Congress to bring effectiveness, fairness and humanity to a necessary program now woefully lacking in all these.

The resident cannot implement his program. Now it is up to Congress. And Congress very clearly should heed Mr. Nixon's urging to offer opportunity and dignity to those in need instead of a vicious cycle of dependency.

[From the New York Times, Aug. 10, 1969]

#### AWAY FROM WELFARE'S MORASS

President Nixon's program for moving away from the "colossal failure" that public welfare has become represents, by far, the most original and constructive initiative of his Administration.

The unhappy fact that the relatively low income guarantees it establishes would do almost nothing to cut New York City's mountainous relief rolls should not overshadow the fundamental nature of the change the President is proposing in a program that started as a stopgap in the Great Depression and turned into a force for social disintegration in the country's longest period of sustained prosperity.

The central—and highly salutary—aim of the Nixon plan is to erase the debilitating distinction between America's 10 million welfare recipients and the 13 million other persons living in poverty in the homes of the working poor. That distinction now constitutes one of the single most divisive elements in this country, with its traditional adherence to the dignity of work. It is a major contributor to welfare's corrosive effect in breaking up families, breeding a spirit of chronic dependency and creating animosity between taxpayers and those on relief.

The Nixon program combines elements of two advanced concepts, long pressed by reformers but pushed aside by the Johnson Administration out of concern over both their cost and practicality. A central tenet of the so-called negative income tax is embraced in the President's proposal for a floor of \$1,600 under annual income for a family of four. By adjusting the amount of the income guarantee to family size, the plan also bears a kinship to the children's allowance programs now virtually universal in other Western nations.

Equally important, the plan abolishes the humiliating "father in the home" rule, which has caused many workers in low-paid jobs to abandon their families out of fear that their wives and children would suffer if they were denied sup-

plementary relief. That requirement has been a significant element in trebling the cost of Aid to Dependent Children in this decade; the total is expected to double again by 1975 if the old standards remain in force.

The new plan puts vastly increased stress on work for all who can take jobs, but it recognizes that financial incentives, job training and an enormous expansion in both the number and quality of day-care centers for the children of working mothers are all necessary ingredients to the success of this effort. Without them, the plan could degenerate into a system of forced labor for sweatshop employers.

The adequacy of the new Federal standards, as applied to New York and other Northern cities with huge ghetto populations, is the most dubious part of the Nixon program. It is true that the plan contemplates an increase of \$4 billion a year in direct Federal outlays for all aspects of public assistance and job training, beginning next July. It is also true, as the President observed that it is wrong for a mother with three children to get \$263 a month in New Jersey and only \$39 in Mississippi.

But the narrowing of that kind of disparity between Northern and Southern welfare allowances must not be carried out on a basis that provides no inducement at all for a New York relief recipient to quit the rolls or for a worker earning the Federal minimum of \$1.60 an hour to rejoin his deserted family. Even with the welfare cuts ordered by the State Legislature, an average relief family here now gets roughly the \$3,920. a year in income that represents the end of the line for aid to workers who take jobs under the Nixon incentive plan.

It is not enough for the White House to assure every state that it will have a saving of at least 10 per cent in its present welfare expenditures. The need is to save people even more than it is to help the hard-pressed states and municipalities save money. The direction in which the President wants the country to go holds great promise; the task for both Congress and the Administration is to adjust the broad design to assure a universal sharing of the benefits on a more equitable basis.

#### TOWARD A NEW FEDERALISM

President Nixon's call for a beginning of Federal revenue sharing with the states and cities a proposal that follows logically from his welfare reforms—marks a turning not only in fiscal policy but in the whole relationship of Federal, state and local government.

With the war in Vietnam dragging on and the burden of other military outlays still overly high, Mr. Nixon could not hold out any bonanza to the revenue starved states and cities. But the significance of the \$1 billion the President proposed for calendar 1971 should not be underrated. In common with his welfare plan and, even more, his proposals for vesting major responsibility in the states and cities for the sprawling manpower training programs now operated out of Washington, the revenue sharing gives substance to the Nixon concept of "creative federalism".

It represents a White House recognition that the problems of poverty and racial deprivation and poisoned environment now plaguing the cities are national in their impact. But it also reflects the President's conviction, strongly enunciated in the campaign that more of the administration and planning obligations for deciding how each community ought to deal with them should be decentralized.

Essential details of the safeguards the plan establishes to insure that money turned over to the state actually finds its way to the cities, where funds are most sorely needed, will not become known until the President sends his formal messages to Congress this week.

Supposedly, a "pass through" formula has been devised that obliges the state houses to treat the municipalities fairly. But it will be a miracle if conflict does not develop over this, as well as every other feature of the plan. Chairman Mills of the House Ways and Means Committee, who is usually able to exercise a one-man veto over any revenue plan that displeases him, has already turned thumbs down on the whole idea.

The unblinkable fact, however, is that the great urban centers and the industrial states around them are running out of tax sources without beginning to have the funds required to fulfill urgent needs. The President's plan to give them systematically every year a fixed portion of what Uncle Sam takes in—over and beyond the sums allocated for specific grant and loan programs—represents a realistic approach to remedying that lack.

[From the Atlanta Constitution, Aug. 11, 1969]

#### MR. NIXON'S PROPOSALS

President Richard M. Nixon in proposing drastic changes in the nation's welfare program seeks to remedy obvious defects growing through the years of federal concern for the country's poor.

The President's proposals place for the first time assistance to families on a true national basis with uniform rules and uniform benefits. The cost will be great, approximately \$4 billions more than now in the first year of the new approach. Millions more persons are to become eligible for government aid under new standards of assistance which will enable working families at the very poor level to receive government help.

The Administration's proposals are directed toward funding a sounder family structure, a goal few probably will care to argue against. All poor families, not just those without fathers in the household, would be eligible for assistance. A family could earn its own money to specific levels without losing benefits, thereby encouraging the seeking of employment.

Welfare recipients would be required to register for employment or to enter a job training program. A day-care program would free mothers for employment and bring educational benefits, as well as supervision, to their children.

The President in putting forward his program charged the planning of the past 30 years has produced "a bureaucratic monstrosity, cumbersome, unresponsive, and ineffective." Many will agree that a hodge-podge pattern with numerous inequities has emerged through the decades, but some would remind that the inaugural of vast Federal assistance to the needy came at a dark economic hour to minister hope to millions. Mr. Nixon, even today, sees the expanded expenditures of his plan clearing new paths for the poor.

The program will go to Congress, of course, and there it undoubtedly will encounter controversy and change. But what the President seeks is in large measure surely worthy. There are inefficiencies and deadends in the welfare system of today. The nation, more affluent and calmer now than in other times, should be willing to agree that welfare needs new directions.

Another major announcement in Mr. Nixon's address to the country Friday night was signaling of a start in shared revenues—tax rebates to the states. Beginning modestly, the program would grow in five years to \$5 billion annually.

That states and local governments, which would participate, need revenue assistance is recognized at capitols and city halls all across the land. Still to be debated is how the states will pass along the federal money to municipalities, a subject always of controversy in Georgia programs of assistance to the cities.

Mr. Nixon, just back from a world tour and preoccupied since his inauguration with foreign problems, particularly the Vietnam war, has turned with broad strokes to the domestic scene.

[From the Miami News, Aug. 9, 1969]

#### A REASONABLE APPROACH TO SOCIAL WELFARE

If President Nixon can accomplish the welfare advances which he outlined to the nation last night, the result will surely go down as an historic highlight of his administration.

Like the weather, welfare is one of those things that everyone has complained about but no one has been able to reform. Finally, we have been left with a system which, as Mr. Nixon said, burdens states and cities, breaks up homes, penalizes work, robs recipients of dignity, and grows, and grows.

Mr. Nixon has proposed revolutionary changes which, while they may not provide instant health and happiness for all the millions of needy, will at least put social assistance on a reasonable basis.

The "family assistance system," as Mr. Nixon called his supplemental income plan, is not a guaranteed annual income in the academic sense of the term, but it would ensure each needy family a basic level of financial aid, and it would not penalize a recipient for trying to remove himself from the welfare category.

Welfare applicants would have to register for jobs or job training, a requirement that could lend itself to abuse by hard-nosed job placement officials. On the other hand, applicants would not be subject to the demanding and time-consuming investigations that characterize present welfare schemes.

Also, child care centers would be available to mothers who might be self-supporting but for the fact that they must remain at home to attend their children.

Also progressive, in our view, was Mr. Nixon's proposal to shift the proven programs of the Office of Economic Opportunity to the operating departments of the government and use the OEO as a proving ground for new social concepts. And his plan to return federal income taxes to states without strings, may be the only feasible answer to repressive local property taxes.

Overall, Mr. Nixon's proposals reflect the liberal leanings of his welfare and urban affairs advisers, Robert Finch and Daniel Moynihan. But there was no doubting Mr. Nixon's sincerity as he presented them as his own, and it may be that an otherwise conservative President will be successful in accomplishing liberal reforms at a time when a liberal president might have failed.

[From the Portland, Oreg., Oregonian, Aug. 12, 1969]

#### NIXON'S NEW FEDERALISM OFFERS HOPE

Successive Democratic administrations—and the Republican Eisenhower Administration, as well—warmed over, rejuvenated, altered but doggedly retained the essentials of Franklin D. Roosevelt's New Deal. The Fair Deal, New Frontier and Great Society have brought, in the opinion of President Nixon, "a bureaucratic monstrosity, cumbersome, unresponsive and ineffective."

So, the second Republican president in 37 years has proposed a massive shift of emphasis and a decentralization of federal power, not only with respect to welfare but in other major fields of government, including taxes and the distribution of revenues therefrom.

President Nixon calls it the New Federalism. It is clear he applies the name to his Administration in general, not only to the "family assistance program" which was the central theme of his address Friday. In common with the Democratic programs of the past, it will be initially more expensive. But if it works, the investment will be richly repaid.

The danger, of course, is that the present "bureaucratic monstrosity" will only move over and continue under a new name, as it has since President Roosevelt cried out in depression days against the injustice of "a third of a nation, ill fed, ill clothed, ill housed." Still, the challenge must be made to a system which has added 3 million to welfare rolls in the past eight years—a period of high employment—and which has created three generations of welfare dependents in the same families.

An end to the present welfare system and replacement by a family assistance program for both the nonworking and working poor will offer incentives and rewards for productive labor and training for jobs. It will reunite families and provide a national minimum of federal aid which the states can supplement. It will not disturb adult aid—to the aged, blind and disabled—except to increase minimum benefits.

President's Nixon's "new and drastically different" approach is geared to equality of treatment of poor families, a work requirement and a work incentive. "To put it bluntly and simply," he said, "any system which makes it more profitable for a man not to work than to work, and which encourages a man to desert his family rather than stay with his family, is wrong and indefensible."

Thus, Aid to Dependent Children would be abolished and each family, unemployed or employed at substantial wages, would receive comparable benefits. Still, these would be based on need, and the able-bodied would be required to accept work if qualified or to take job training if unqualified. This would not be the much-discussed "guaranteed annual wage," because it would not go to all families—only those in need.

A beginning in 1971 of federal revenue sharing with the states under a flow-through policy to lesser governmental units is a key proposal in Mr. Nixon's program to reduce federal domination and increase capabilities of cities and counties to serve their citizens efficiently. Still, the nagging doubt: The bureaucrats who hand out the money hold the key to power.

The Nixon New Federalism is not an overnight program. It was well advanced in his mind before he ran for President in 1968. For more than six months, such experts on welfare and urban conditions as Secretary Robert Finch and urbanologist Daniel Patrick Moynihan have been working to put the program together.

President Johnson's flamboyant "War on Poverty" did not make a dent in poverty. Almost a third of a nation is still "ill fed, ill clothed, ill housed." Presi-

dent Nixon has offered new hope that a different approach will be effective. Congress will butcher this program at its peril, unless it has something better to offer.

[From the Phoenix, Ariz., Republic, Aug. 12, 1969]

#### FOR THE WORKING POOR

At first blush President Nixon's welfare program seems like more of the same. The President wants to increase the number of welfare recipients from 10 million to 22.4 million. And he wants to add \$4 billion to the present \$5 billion spent in this field. Doubling both the number of recipients and the number of dollars doesn't seem like exactly the way to cure the evils of a welfare state.

But the key to the President's program, which was broadly outlined in his speech Friday and was more precisely defined in yesterday's message to Congress, lies in its emphasis on the working poor. We think the proposed program has more chance of success than the present system of welfare payments that tend to break up families and to discourage recipients from getting off relief rolls and onto payrolls.

At present the working head of a family—no matter how little he earns—is not entitled to welfare assistance. So he usually leaves homes, and his wife becomes eligible for relief. That's one more broken home, one more family raised without the guiding hand of a father, and one more man who is encouraged to become a drifter and to make temporary alliances with any woman he is interested in.

The present aid to dependent children (ADC) program is run by the states, with matching funds from the government. As the President pointed out, a needy family of four can get from a high of \$263 a month in ADC payments in New Jersey, to a low of \$39 in Mississippi. (In Arizona ADC payments for a family of four amount to \$126.68, of which the federal government provides 75 percent).

The President proposes that the federal government give every needy family a flat grant. "a foundation . . . on which the family would build." For a family of four, regardless of where it lives, this federal grant would be \$1,600 a year.

To encourage self-help efforts, the family bread winner would earn up to \$60 a week (\$3,100 a year) without having benefits cut. Anything earned over \$60 a week would result in a cut in welfare payments of 50 cents for each dollar earned. When total earnings reach \$3,920 a year, the family will be removed from the welfare rolls.

To qualify for this program, the head of the family must agree to enter a manpower training program and to take a job, when one is offered. Day care centers will look after children while parents learn the skills needed to get jobs.

The other basic welfare programs, in the categories of assistance for the aged, the blind and the disabled, would continue as now administered, with a federally established floor of \$65 a month for each recipient.

While the new Nixon program will entail some administrative difficulties, the present Social Security program provides a good check on the earnings of virtually all wage-earners. And the incentive features of the President's plan should help the millions now living below the poverty level to upgrade their incomes, to achieve self-respect, and to strengthen the basis of any society-family life.

Defects will appear in the plan, and Congress will change some of its details, but President Nixon has told the nation how to improve a system that has become unfair to the welfare recipient, unfair to the working poor and unfair to the taxpayer.

[From the Los Angeles Times, Aug. 13, 1969]

#### NEEDED WELFARE CHANGES

*ISSUE: What is the thrust, and what will be the impact of President Nixon's package of proposals on welfare and related programs?*

President Nixon laid out a bold new blueprint in his televised address on welfare and other domestic matters.

It was much more than just the presentation of a package for aid to the underprivileged. It was, in fact, a call for revising the thrust of government, modernizing its operations and reversing the trend toward centralization.

"After a third of a century of power flowing from the people and the states to Washington, it is time for a new federalism in which power, funds and responsibility will flow from Washington to the states and the people," he said.

Mr. Nixon recognized that we are facing an urban crisis, a social crisis and a

crisis of confidence in government. Nowhere, he said, has the failure of government been more apparent than in its efforts to help the poor.

In messages going to the Congress this week, the Administration will spell out its proposals in greater detail. Further refinement obviously will be made before actual legislation is drafted next month.

But the President has set forth the broad general outline of his approach. We find that approach imaginative, innovative—and a refreshing change from the past. The emphasis is on increasing the incentive of state and local governments and the people themselves.

The principal item in the Administration package is a complete replacement of present welfare procedures in order to end "unfairness in a system that has become unfair to the welfare recipient, unfair to the working poor and unfair to the taxpayer."

In essence the program Mr. Nixon advocates would be based on equality of treatment for all recipients, a work requirement and a work incentive designed so that working fathers would not be penalized because of their earnings. At present, a family with dependent children stands to gain more on welfare if the father is unemployed or deserts.

Thus the Administration is proposing an income maintenance program to aid the working poor, with benefits so scaled that it would always pay to work. This is vastly different from a guaranteed annual income which Mr. Nixon rightly observed undermines the incentive to work and establishes a right without a responsibility.

The President also proposes complete overhaul of manpower training services in order to eliminate "a terrible tangle of waste and confusion." The third phase of his program is revamping the Office of Economic Opportunity to make it a laboratory for development of new ideas for helping people. And the fourth is a start on sharing of federal tax revenues with state and local government.

Costs will be high, and where the money is to come from has not been determined, but the question recurs: Can we afford not to meet those costs in this day and age? Can we afford not to take steps to correct a situation which is bringing state and local governments to the brink of financial disaster?

We think not.

[From the Chicago Tribune, Aug. 10, 1969]

#### WELFARE WITH A PURPOSE

For 35 years, Presidents and Congresses have been posing as the prophets who would lead the country's poor out of the bonds of poverty. And for 35 years we have watched in futile dismay as the federal welfare bureaucracy grew into what President Nixon now aptly describes as "a huge monster . . . antiquated, wheezing, and overloaded . . . a colossal failure."

Like his predecessors, Mr. Nixon proposes to lead us around the corner, to where we can see light at the end of the tunnel. But unlike his predecessors, he offers an entirely new approach instead of merely trying to enlarge upon the mistakes of the past.

Mr. Nixon proposes to scrap the present welfare system, including the abomination known as aid for dependent children [ADC—which might as well stand for abetment of delinquency and crime, because it prompts fathers to leave home so that their wives and children can qualify for aid].

He would substitute a "family assistance system" guaranteeing every family a minimum income—\$1,600, for example, for a family of four. But the recipient, if physically able, would have to accept work or training "provided suitable jobs are available." A recipient who found a paying job would be able to keep the first \$60 a month without losing any of his government assistance, this being the amount his job would presumably cost him in transportation, lunches, and clothing. Thereafter he would lose only 50 cents of his assistance for every dollar earned. A family of four would be entitled to some government help as long as its income was below \$3,920 a year.

Mr. Nixon's plan thus rests on the sound and refreshing principle that no one should receive more for being idle than for working. The government's willingness to help the needy is linked to the willingness of the needy to help themselves.

At the same time the Nixon plan would improve other glaring defects in the present system. By assuring a minimum standard, to which the states would make additions, it would reduce the vast differences between states which have brought the poor streaming into the big cities in states with generous welfare plans, unprepared to cope with city life.

By leaving administration and job training largely in the hands of the states, it embraces what Mr. Nixon calls the "new federalism," a reversal of the trend toward centralization in a Washington bureaucracy which has proved "cumbersome, unresponsive, and ineffective."

It would tend to hold families together instead of driving them apart, and thus help to reverse the trend to delinquency and crime in the cities. Day care centers would make it easier for mothers to work.

The built-in incentive to work which the program offers distinguishes it from the "guaranteed annual income" or "negative income tax" which some economists have suggested and which Mr. Nixon opposed during his campaign.

The Nixon program would not be cheap. If necessary means payments to low income workers and this might double the present number of recipients. Initially, it would cost more than the present system—about 4 billion dollars a year [and judging from experience, it could end up even higher]. Nor would it be easy to implement. The practical problems would be enormous. Indeed it may seem odd that while Mr. Nixon proposes assigning the office of economic opportunity to the task of "testing new approaches," he should in the same speech urge a wholly new and costly approach on the whole country without any testing at all. But he no doubt felt that he had to produce a new approach to match his promises, and whatever flaws may develop, the plan he proposes can hardly be worse than what we have now.

Mr. Nixon's program deserves the early and sympathetic attention of Congress. And the administration, for its part, must remain ready and willing to recognize the flaws as they arise, to acknowledge them, and to correct them before they get rusted into the machinery as they so often have in the past. Without a constant eye on the program's progress and a firm hand to prevent the abuses which can spread so easily, the Nixon program could grow into another monster to be attacked by future Presidents.

[From the Dayton, Ohio, Journal Herald, Aug. 11, 1969]

#### **WELFARE REFORM—THERE IS MERIT IN NIXON'S "FAMILY ASSISTANCE" PLAN**

The President accurately identified the malignancies embedded in our nation's welfare programs, and offered what we believe to be tentative but generally reasonable cures in his TV address to the country Friday evening.

It is a demonstrable fact that state and national welfare have failed to a criminal degree, even allowing that the system has never been properly financed at any level in any state. It should be scrapped, as the President says.

The failure of the welfare system, leaving the financial issue aside, is due primarily to the promise upon which it was constructed. It is essentially a maintenance system, selective in nature and often punitive in effect. It recognizes age and blindness and the helplessness of youth as reasonable grounds for assistance. It punishes families—especially families headed by an adult male—living in poverty; it penalizes, to a crippling degree, the working poor: they get nothing.

The President proposes to change this. He is right.

He proposes to eliminate the wide variance in welfare assistance found in our several states. He is right.

He proposes to provide work incentives and job-training opportunities for the poor and ill-equipped. He is right in principle.

In the months ahead, the import and practicability of his "family assistance" program will receive wide discussion and doubtless earn some positive response in Congress. We believe some greater attention should be given to his recommendation that mothers of school-age children be required to seek work or accept job training. We believe also that some analysis is in order regarding the President's proposal for a \$1,600 across-the-board "standard" family allowance, with special reference to the adequacy of this amount.

Mr. Nixon also outlined in his Friday talk some policy approaches toward OEO and block grants to states which, in subsequent messages to Congress, he promises to present in greater detail. However, the major thrust of his TV statement was on welfare and its major significance lies in the fact that, under his "New Federalism," Washington is at long last prepared to eliminate the terrible inequities in welfare. His initiative is certainly welcome.

[From the Cincinnati Post and Times Star, Aug. 9, 1969]

#### NIXON'S 'NEW FEDERALISM'

When you have a system which hasn't worked well for 35 years, something has to be done about it. If it can't be repaired, it ought to be replaced entirely or radically overhauled.

This is what President Nixon aims to do with the extravagantly expensive, abysmally ineffective conglomeration of federal-state programs which come under the general heading of public welfare.

In his televised speech last night, Mr. Nixon spelled out all the things wrong with the present "system." And everything he said has been apparent for years. Then he detailed what he proposes to do about it.

What he proposes to do will arouse a storm of dispute, no doubt, and will cost money. The question is whether his plan will work as he thinks it will. But what we have had hasn't worked, and we have squandered a potful of money on it, and misdirected the lives of many of the beneficiaries.

Mr. Nixon anticipates the controversy he is starting, because he doesn't propose to launch these new programs until 1971. That gives him time to persuade Congress, to make the programs workable and to dig up the money.

Whatever the quibbling over the President's methods, his goals are eminently desirable. And the main goal is to get welfare people in jobs, for their own good as well as for the sake of the taxpayers—not to mention the obvious usefulness to the economy.

In substance, Mr. Nixon has these main ideas:

To fix minimum national standards for relief—instead of the wide differences now existing in different states. And to provide cash incentives to reliefers able to get jobs.

To back this up with a new training program, with a cash bonus as a recruiting incentive.

And to give the states and cities a small hand by funneling them some federal tax receipts, "with a minimum of federal restrictions."

Mr. Nixon's proposal to make minimum welfare payments equal across the country could turn out to be one of the most useful parts of his plan. For one thing, this is only fair.

For another, it well could curb the general migration of poor to the cities simply to gain bigger welfare payments—a migration which has had a lot to do with the "crisis" in the larger urban centers.

His works incentive proposal, if energetically and imaginatively administered, in time should lead to an enormous reduction in relief rolls and costs. The gain in individual self-reliance and self-respect could be even more important to the national well-being than the potential savings to the taxpayers.

Tax-sharing with the states, at the start, will be a pittance, but the government already is dishing out some \$25 billion a year to states and localities in a hodge-podge of programs.

But, as the President said, we can't talk our way out of poverty. And the experience of the last 35 years proves we can't legislate our way out of it. The only hope is to work our way out. Mr. Nixon has set a course. Unless somebody has a better idea, we had better try the "new federalism," as the President calls it. There is a lot to gain, and we hardly can do worse than we have been doing.

The whole answer, of course, will rest on what Mr. Nixon called the "capacity of government to do its job."

[From the Detroit Free Press, Aug. 14, 1969]

#### AS WE SEE IT—IT'LL TAKE TIME TO ANSWER WELFARE REFORM QUESTIONS

It is well that President Nixon gave us a little lead-time to consider his plan for revising the welfare system. He will be lucky indeed if Congress has resolved all the doubts and answered all the questions in time to make any such program effective in fiscal 1971.

Appealing as his basic concepts are, the new proposals fairly take the breath away. It will take quite a while to comprehend, let alone weigh the implications of, the detailed provisions.

For instance, his proposed federal floor under assistance payments should (1) equalize the payments and give the poor in the rural South less reason to flee to the crowded northern cities; (2) assure a more reasonable allotment for some of the nation's poorest citizens; and (3) if generous enough, permit the

states to transfer funds now being spent for welfare to other essential purposes.

Yet the questions are now being asked whether the states that have done the least are not being rewarded and whether the wealthier states will in fact get the fiscal relief promised. The first question, raised by Sen. Jacob Javits of New York, is a phony one; it is not Mississippi that is being rewarded, but the poor family with the misfortune to live under Mississippi's welfare system.

Whether there is to be genuine fiscal relief—whether Michigan, for instance, can really count on the \$35.5 million extra foreseen by the President—is a more valid question. Indeed, the most nagging question of all is whether assistance can be provided at necessary levels within the fiscal limits proposed by the President.

Can such a program really be expected to cost no more than the \$4 billion additional spending that the President foresees? Can the states really cut back their own spending without simply letting benefit levels fall even farther below the amount needed to keep a family from going hungry?

And what about the provisions for work incentives? Obviously the poor will have more incentive to seek work than they do now. But it worries us that the benefits drop off in two steep steps. Will the family really have an incentive to earn more than \$60 a month when it forfeits 50 cents of every dollar beyond that? This will have to be examined carefully.

Perhaps even more basic is the fundamental question of whether you can have an income maintenance system, especially one coupled with job training and job finding, without building a busybody welfare bureaucracy to go with it. Can you simply turn the money over to the poor with none of the strings now inherent in food stamp and other special programs? Or will Congress create an even larger bureaucracy to police the program?

Most of these questions, we daresay, can be answered. Certainly we must escape the straitjacket of the present welfare structure. But Congress has a worrisome record of having cluttered up bold new ideas with a lot of protections for various vested interests. Bureaucrats, moreover, will be more interested in their jobs than in the poor. And even the poor may foul us up occasionally by acting according to human nature, which is inclined to be rather perverse.

Reform, though is now imperative, as Mr. Nixon recognized. Those who get the dole are in revolt and those who pay for it are in revolt. To try to retain the status quo is quite likely to opt for the breakdown of the whole system. Mr. Nixon's attempt, complicated and controversial though it is, is a better way to go.

[From the Suburban List, Essex Junction, Vt., Aug. 14, 1969]

#### A SURPRISE FROM PRESIDENT NIXON

Hubert has been out-Humphried, and Richard Milhouse Nixon did it. We could hardly believe our ears. President Nixon offered the American people, last Friday night, as sound and thorough and fact-facing a public welfare program as any government, anywhere, has propounded.

His objective, like the presidents' before him, is to "break the poverty cycle" and help persons on welfare to attain independence. At the same time, he wants persons whether on welfare aid or not to have enough money to feed and clothe their families.

This double objective requires a double assistance plan: first, a basic minimum income for every family with children, guaranteed by the federal government. Second, a supplement to incomes of families whose bread-winners earn so little that they cannot support the children in decency even though daddy does have a job.

A key principle of the Nixon plan, and one to which we heartily subscribe, is that all able-bodied persons be required to work (except mothers of pre-school children). This leads to a number of other duties on the part of government, to make the requirement reasonable:

1. That those without skills be trained so they can fit into a job.
  2. That the low income families be made mobile so that they can go where the jobs are, if necessary.
  3. That wage-earners now bringing home less than a living wage be offered additional training to upgrade their skills, so they can get better jobs.
  4. That Day Care centers for children of working mothers be provided.
- Minimum federal payment for a family of four would be \$1600 per year, but the actual cost to the government would be much more, because of the cost of training programs, transportation, and day care center organization. It is esti-

mated the cost of the program would be \$4 billion a year (just one-fifth of the amount approved by Congress for military hardware in a recent bill which passed with hardly a ripple).

The president's excellent program would to some extent equalize benefits to the poor (he mentioned that a family receiving \$263 in New Jersey through state assistance would get only \$39 in Mississippi). Equality would not be complete, because states are expected to continue to carry a share of the burden, and to supplement the federal payments.

However, those on public assistance who are able and teachable, are expected to move from complete welfare support to supplemental aid to full independence; and that must be the aim of any welfare program. Even small steps in that direction will make a difference to the social health of the nation.

Some, of course,—the blind, the disabled, the children, the mothers with babies—will continue to need assistance for many years. Many aid recipients are either too young to work, or too handicapped. No one need expect that even full success for this plan in the coming years will mean that welfare responsibilities will fade away.

The hope it does hold out is to the low-income families: if the proper legislation is approved, and useful agencies set up, they will get the two things they most need: skills and mobility.

And they will no longer be penalized for earning what little they can; further, it will cease to be true that a father must move out of the home because his departure will automatically increase his wife's and children's income, as is now the case.

Incredible numbers of details will have to be worked out if the president's broad program is approved and implemented, not the least of which will be how to remove or adapt or re-condition existing social agencies like the OEO and Manpower Training to fit the new national program.

[From the Boston Herald Traveler, Aug. 12, 1969]

#### NIXON'S "NEW FEDERALISM"

President Nixon's prescription for welfare reform, revenue sharing and work incentives to help millions of Americans to snap the chains of welfare dependency and to break the cycle of relief roll to relief roll generation after dejected generation will be analyzed and debated in public councils for months to come.

His "New Federalism," if that is the label by which his proposals are to be known, represents a composite of hard choices made after no small amount of contest between Mr. Nixon's urban affairs advisers and his budget advisers.

The result is a program of cautious dimensions but of venturesome directions; an invitation to experiment unanticipated of the Nixon administration and seemingly daring to even the liberal Democrats who have been so long and loudly bewailing the failure of the welfare system their party engineered over the past three decades.

Federal revenue sharing with cities and states is something every mayor and governor would welcome, but the redistribution of federal revenues seems contingent on the national government's fiscal sufficiency, and that condition is subject to a hundred others.

The keystone of President Nixon's "New Federalism" is not the apportionment of "no strings" aid but the restructuring of the federal welfare system. Despite some complaints that amount of money proposed is insufficient, even advocates of a more generous funding have saluted Mr. Nixon's proposed reforms.

If Congress adopts the President's program, the much discredited Aid for Families with Dependent Children (AFDC) will be abandoned in favor of a direct "family assistance plan" that will be available to households headed by males as well females. Since AFDC guidelines have shown a technical preference for households without fathers, the whole program has been accused of fostering the disintegration of families.

Federal assistance would also be expanded to cover families with a working head of the household whose earnings are too meager for the adequate support of his family. This assistance would be tied in with sensible supplementary programs for job training and for the operation of child-care centers for parents who work or who are being trained for work.

By establishing a floor of \$1600 a year for a family of four, Mr. Nixon's schedule of benefits would help rectify one of the worst economic inequities in the nation: the disparity of welfare allotments between the richest and poorest

states. Under existing programs, families of the same size with the same income receive \$263 a month in New Jersey but only \$39 a month in Mississippi.

Sociologists have long fixed such glaringly unequal welfare benefits as one of the prime motives the rural, impoverished poor of the South have migrated to the northern cities en masse since the end of World War II. The establishment of a national minimum standard will thus not only promote economic justice but also help stabilize communities and families.

The nuts and bolts of President Nixon's plans will not be known finally until the congressional mechanics get through tinkering with it, but as originally advanced, the thrust and the scope of welfare reform under the "New Federalism" deserve to be cheered.

[From the Philadelphia Inquirer, Aug. 11, 1969]

#### FOR THOSE WHO ARE WILLING TO WORK

President Nixon's proposals for welfare reform, as outlined in his televised address to the American people and to be presented in greater detail in a series of special messages to Congress, set the stage for what ought to be landmark changes in the nation's public assistance system.

As presently constituted, it is a system that subsidizes and perpetuates poverty instead of eradicating it. Worse than that, it encourages idleness instead of work and destroys incentive for people to become self-supporting.

The Inquirer believes strongly that the President's bold and courageous bid for a complete revamping of welfare policy deserves energetic public support. This does not necessarily mean that we will indorse his welfare recommendations in all essentials. We wish to defer judgment on details until they are presented more fully in forthcoming messages. We will have a great deal more to say on this subject in the weeks and months ahead. For now, we want to go on record in favor of what we consider to be the most important theme of Mr. Nixon's welfare reform program, namely that it always should be more profitable to work than not to work and there should be no place on welfare rolls for people who are able to work but won't.

"The present system often makes it possible to receive more money on welfare than on a low-paying job. This creates an incentive not to work; it also is unfair to the working poor. It is morally wrong for a family that is working to try to make ends meet to receive less than the family across the street on welfare . . . To put it bluntly and simply—any system which makes it more profitable for a man not to work than to work, and which encourages a man to desert his family rather than stay with his family, is wrong and indefensible."

It certainly is wrong and indefensible. Tragically, some people attempt to defend the indefensible. To get the President's proposals written into law is going to require a hard fight, particularly the key recommendation which he stated in these words:

"Everyone who accepts benefits must also accept work or training, provided suitable jobs are available either locally or at some distance if transportation is provided. The only exceptions would be those unable to work, and mothers of pre-school children. Even mothers of pre-school children, however, would have the opportunity to work—because I am also proposing along with this a major expansion of day-care centers to make it possible for mothers to take jobs by which they can support themselves and their children."

This is the nub of it: the work requirement. We believe every member of Congress, in the Senate and in the House, should stand up and be counted on this issue.

If the day ever comes when work is a dirty word in America, then this country will be doomed. The people who work to pay the taxes to make the welfare payments don't mind working. Why should the recipients object to doing some work themselves?

The Inquirer believes that public welfare policy in every state and city and town and rural community in America should be based on this fundamental principle: Every person unable to be self-supporting because of age or health or other valid reason should be given sufficient financial assistance to provide the necessities and decencies of life, and every person applying for public assistance who is able to work, even if only part-time or in a limited capacity, should be required to do so.

We believe the greatest beneficiaries of such a program will be the welfare recipients themselves. They will have constructive work to occupy their time, if they are able to work, and they will have self-respect.

[From the St. Petersburg Times, Aug. 10, 1969]

### NIXON'S BOLD PLAN FOR WELFARE REFORM

The United States has never had a properly funded, poverty-curing welfare program. It has had 50 state welfare efforts, most of them doling out subsistence payments to dependent children, the old, blind and disabled, all of them discouraging work and family responsibility.

President Nixon has proposed that the nation adopt for the first time a creative, uniformly administered welfare program.

Its direction is toward helping the poor rise out of the poverty cycle. Its focus is upon the working poor as well as the unemployed. Its scope is \$4-billion larger than present programs.

No longer would fathers be encouraged to desert their families so the families can be eligible for aid to dependent children.

No longer would those receiving payments be discouraged from taking jobs because they would lose their welfare checks.

No longer would extreme gaps in payments force the unfortunates out of some states and lure them to others. (A mother of three dependent children now receives \$38.75 in Mississippi, \$263 in New Jersey.)

For Florida, the President's program would be an opportunity to take the longest leap in the state's history against poverty. Many of the working poor would become eligible for assistance. The average family with dependent children now receiving \$80.10 a month would get \$133 plus the state's supplement.

The only change in aid to the aged, blind and disabled would be a \$65 a month floor on benefits. That's a gain in all three categories over present Florida payments of \$64.15 to the blind, \$48.75 to the aged and \$61.10 to the disabled.

Congress will write many changes into the President's initial plan. Among those needed:

✓ Careful provisions should be written governing compulsion in training and work. If this law is prepared properly, and well administered, welfare recipients will be anxious to obtain jobs that compulsion will be unnecessary.

✓ The basic guaranteed federal income of \$1,600 for a family of four should be adjusted by region to the cost of living. Also, there should be an automatic adjustment to inflation.

✓ The child orientation of welfare efforts should be preserved. According to the President's text, if the mother of dependent children refused work the family would receive nothing. Obviously, there must be ways to care for such children short of foster homes.

✓ While extremely modest, the President's revenue sharing recommendation would establish a principle. It should be initiated in a way that won't permit lagging state legislatures to use these funds merely to evade their own responsibilities in such fields as pollution control and education.

But these are details. The overriding fact of the President's speech is that Mr. Nixon has committed his Administration to eliminating the intolerable differences between poor America and rich America. That's great.

[From the New Orleans Times Picayune, Aug. 11, 1969]

### NATION NEEDS DRASIC WELFARE OVERHAUL

It is easy to agree with President Nixon that the welfare system is ripe for overhaul. Whose welfare the present structure benefits has always been obscure.

Not the abysmally poor, surely, whether individuals or family units. Not urban centers or states either, for they find their troubles compounded. And not the vast middle class which bears most of the growing costs of welfare without seeing any improvement.

While there will be ready agreement with the President over the necessity for drastic change, whether it be called junking or reformation, at the point of methodology the harmony of opinion departs.

In a nation so able in thinking out matters of science and technology, the lack of clear thinking on the plight of the poor and the turning of social liabilities into social assets has been appalling.

The welfare system has long been sterile, bankrupt in its outlook. The best it could hope for is successive welfare generations.

Instead of the required transfusion of fresh thinking and approaches, the easy out at all levels—federal, state and city—has been to substitute hypodermics of

growing appropriations to keep a hopelessly unworkable system alive. And this is not to say the funding was ever adequate.

Mr. Nixon's plan for fixed basic incomes for the poor, turning more federal revenues to states, and returning manpower programs to states and localities will not necessarily be recognizable in what finally is enacted by Congress.

Whatever does emerge, the price tag will be costly by the standard of past budgetary criteria. But in terms of today's wasted manpower potential, erosion of social values and a perpetuation of a feeling of frustration and hopelessness, what could approach the terrible cost of the present grossly malfunctioning welfare system?

[From the Memphis Commercial Appeal, Aug. 10, 1969]

### REVAMPING WELFARE

President Nixon now has taken the first step toward reorganization of the nation's confused and inadequate welfare system.

It is simply a proposal to rescue those families which are in the very lowest income levels or which are entirely dependent upon public assistance. Mr. Nixon proposes to do this by assuring them all a minimum income regardless of where in the nation they happen to live.

Even with this relatively simple objective, the proposal will be costly—an estimated four billion dollars in the first year—and it will entail auxiliary programs which may well add a great deal more to the cost. It also poses some complex problems of administration.

The President's television presentation was only preliminary, of course. Details will have to await the messages to Congress on the various aspects of the overall plan. But the general presentation already has raised some important questions.

One involves what appears to be a mixed-bag administration of the program. That is, both federal and state officials apparently are to be involved. How will this be done to prevent dual standards and thus avoid having an applicant for this assistance being bounced back and forth between the agencies? Also, can the standards be well enough defined to prevent different interpretations in the various states, thus in part at least perpetuating the discriminatory aspects of the present welfare programs?

The work-requirement provision undoubtedly will be subject to a great deal of criticism. Who is going to determine which man takes which job? Under the present system of unemployment benefits, a worker can be classified in terms of previous employment to determine what sort of work he is capable of performing. In dealing with men and women who never have been employed, or who have come from rural employment that has no counter-part in the cities, such standards of capability will be more difficult to establish.

Will this system encourage development of new families with large numbers of children at a time when there is growing concern about population pressures? The program applies only to families. It does not apply to couples without children nor to individuals.

Also, what does this proposal mean in terms of future requirements for labor forces? By establishing mere nearly equal standards, will this tend to freeze labor forces where they now are located rather than letting them flow to where they are most needed?

All of these are questions which will have to be answered by Congress as it begins to deal with the proposal. Then, after the legislation is drawn, the effectiveness of the plan will depend upon the way in which it is administered.

The important thing is that President Nixon has opened up the whole subject for reappraisal.

There have been many critics of the welfare program over the last 35 years. Many of the criticisms, both from those involved in the administration of the programs and those who have been called upon to pay for them, have been justified. Certainly it has been amply demonstrated that the old system, don't do what is needed for those who for whatever reason find themselves without means.

If the new system is going to be costly, it must be kept in mind that the existing systems are costly, too, and that their cost is bound to rise even if nothing is changed. Indeed, inertia could result in much higher costs than the program the President has outlined.

Weighed against the cost must be the gains that this approach would produce. Foremost among these would be the incentives the plan provides for finding employment for those now without income or in the very lowest income brackets

and the inducements it provides for those persons to accept employment. These features are found both in the proposal that all applicants be registered for such work and by the recommendation that mothers of dependent children be assisted in finding employment through a greatly expanded day care arrangement.

The latter not only would be an immediate boon but it also would improve the prospects for the oncoming generations to work their way out of the poverty trap that has held past generations.

The President deserves high marks of commendation for his concern in this entire area. He owes no political favors to those who would be helped most by his proposals. On the other hand, he risks alienation of some voters who supported him last fall. So his recommendations must be accepted as a sincere effort to correct a basic condition which if left untended much longer will severely damage the social as well as the economic foundation of the nation.

Mr. SCHNEEBELI. Thank you very much.

You say it has been generally good. With regard to the questions that Congressman Byrnes raised this morning on training programs, this 1.1 million people who would be required to register, what percentage of that number would probably have to take training in order to qualify for a job, roughly?

Secretary FINCH. I am afraid we have to turn to our friends at Labor, Congressman.

Mr. Rosow. We would only be able to make a guess on that.

Mr. SCHNEEBELI. Yes.

Mr. Rosow. I would say more than half.

Mr. SCHNEEBELI. More than half would have to take some sort of training. Is this initial training, or upgrading from a job they already have, or both?

Mr. Rosow. Well, in most cases, as far as the upgrading, that would be in addition to the 1.1.

Mr. SCHNEEBELI. They are presently employed?

Mr. Rosow. Yes, sir. It covers the working poor, for whom we plan 75,000 upgrade opportunities.

Mr. SCHNEEBELI. I think the President 2 or 3 years ago formed a Businessmen's Commission to look into this job of training. I think it is headed by Henry Ford II. I think they have done quite an outstanding job.

I think their objective was training for 100,000 jobs. I think they have gone over the quota by about 40 percent. Is this correct?

Mr. Rosow. The National Alliance of Business that you referred to is still in existence and works in conjunction with the Labor Department in the job program.

Mr. SCHNEEBELI. They have done a very commendable job.

I have read two reports that they have put out, and in all segments, banks, et cetera, they have done an excellent job.

They are coordinating their work with you?

Mr. Rosow. Yes, they are.

Mr. SCHNEEBELI. Of the remaining people to be trained, do we have enough institutions that are capable of training the large volume of people that you are going to have here? I am thinking, in addition to educational institutions, of trade schools, junior colleges, schools to train artisans, et cetera. Do we have the facilities?

Mr. Rosow. In the institutional side, yes, and of course as you have already outlined, in the on-the-job training part, the job program would fold right into this program as another outlet. With the new Manpower Training Act now pending before another committee in

the Congress, there is going to be a closer tie between Labor and HEW in the vocational education part of the program.

**Mr. SCHNEEBELI.** In addition to this voluntary program on the part of the businessmen, would you also approach this industrial group to ask them to train your people in addition, for whom you will make payment, in addition to their own voluntary programs?

**Mr. Rosow.** Yes, fundamentally through the job program, which provides for contract between the Government and employers, and a partial subsidy for training costs.

**Mr. SCHNEEBELI.** So this is a dual approach?

**Mr. Rosow.** Yes.

**Mr. SCHNEEBELI.** Through business?

**Mr. Rosow.** Right.

**Mr. SCHNEEBELI.** Do you envision that most of your training will be of the industrial type?

**Mr. Rosow.** No, I think that with regard to many of the mothers who have not completed the necessary basic education, or who have not completed high school, or who have been out of touch with the labor market for many years, we will have to give them some fundamentals first. That has been our experience under the WIN program.

But for many others, particularly the men and some of the mothers who have completed education, the answer is in the affirmative.

**Mr. SCHNEEBELI.** So are you going to spend much time in upgrading and training, or merely for the initial job?

**Mr. Rosow.** Primarily for the initial job.

Because of the total increase in training opportunities, we are asking for 225,000 on top of the present base of 1 million: 75,000 of the increment is for upgrading, and 150,000 is for basic flow to put people into the work force.

**Mr. SCHNEERELI.** As to your training program in the next 2 or 3 years, 3 years from now, how many more people do you think you will be training than you are at the present time?

**Mr. Rosow.** Based on the 1970 budget of the President, we would be up to about 1 $\frac{1}{4}$  million, and if this program is legislated by 1971, we would be somewhere between that and 1 $\frac{1}{2}$  million.

**Mr. SCHNEEBELI.** And you contemplate no particular problem in connection with the institutions or facilities to do this training?

**Mr. Rosow.** No, sir, no problem that will be insoluble. There will be problems that we have to work on, but there is the capacity there.

**Mr. SCHNEEBELI.** Will your new junior college in every area of education be helpful, particularly in the area of artisanship training, bricklaying, electronics, and a lot of these specialties?

**Mr. Rosow.** I am not certain of that, although HEW has been doing some work with regard to the community college programs, and the possibility of them being integrated as a training source for these programs. But it is not fully worked out yet.

**Secretary FINCH.** We are asking for State plans now, Congressman, and trying to put a heavy emphasis on the technical training side in the community college approach.

**Mr. SCHNEEBELI.** Are more of the community colleges being oriented to this type of trade training?

**Secretary FINCH.** Yes, sir.

**Mr. SCHNEEBELI.** That was not the original concept, but it has grown into that?

**Secretary FINCH.** Unfortunately, too many of the community colleges have tended to lapse into the liberal arts syndrome. We are having problems of draftsmanship, and this is another piece of legislation, but we think you can take many of the technical schools in place now and by strengthening faculty, and revamping, and so on, they can come under the provisions of the final bill, and be upgraded.

**Mr. SCHNEEBELI.** The community college in my community, in Williamsport, Pa., has been in technical training for the last 30 or 40 years, specializing in this area, and I think they probably have 2,500 students at the present time who are mainly in technical trade school training.

I would assume that this is a good expansion program in your community college concept to fulfill the responsibilities you have in this program.

**Secretary FINCH.** Right. We are working with the Department of Labor because we do have some problems in terms of vocational education, but again they are not insoluble.

**Mr. VENEMAN.** Mr. Schneebeli, there is one point that I think is unique and new in this particular bill as it relates to these job slots, and that is section 449, which would permit, under these circumstances where the employer is being paid by the Government to train a person, the family assistance payment to be made to the employer, and he in turn would compensate the employee for the work he is doing.

In other words, instead of getting a welfare check or public assistance check, the trainee would be compensated for his efforts in this job training position.

It is my understanding that the average cost of these training slots that we pay the employer for is approximately \$2,800. If we could take those dollars and pay them to the employer as a training payment, the employer in turn would go ahead and compensate the employee in his wage check.

**Mr. SCHNEEBELI.** As you get into these employer-paid programs, payments to the employer, are you gradually going to get out of your voluntary concept of the businessmen's program that is scheduled now for 140,000? Why should they do it for free, when they could get paid for it?

**Mr. VENEMAN.** I will let Mr. Rosow speak to it, but I think it takes both.

**Mr. Rosow.** Actually, we would encourage both programs. The so-called freebie program under the jobs concept where the National Alliance of Business has many companies who are voluntarily fulfilling the same objectives, but not requiring compensation from the Government, in which A.T. & T. and many other companies felt capable of doing this without Government assistance, and have had enough need in their own labor force plans to come into the program—we would like to see this continue in concert with the other programs.

**Mr. SCHNEEBELI.** We would, too, because it costs so much less.

**Mr. Rosow.** Exactly.

**Mr. SCHNEEBELI.** But as the Federal Government gets into this program more fully, is it apt to diminish the voluntary concept?

**Mr. Rosow.** No, Mr. Congressman. So far, that has not been evident. As a matter of fact, the growth has gone faster in the freebie side proportionately than it has in the Government contract.

**Mr. SCHNEEBELI.** I know industry has taken a very great pride in the work that they have done here, and I think they should be recognized for the fine job they have been doing.

Mr. Rosow. Absolutely.

**Mr. SCHNEEBELI.** I think, as we have said previously, the original objective was 100,000 jobs, and now they are up to 140,000 jobs.

Mr. Rosow. Right.

**Mr. SCHNEEBELI.** Small business as well as large business has participated in this.

Mr. Rosow. That is absolutely true.

In recent months there has been a development in the use of consortium groups of small companies working on a cooperative basis to come into the program to overcome some of the training obstacles that a small firm cannot meet.

**Mr. SCHNEEBELI.** Many of your large city banks have done an excellent job in this area, as well.

Mr. Rosow. As a matter of fact, if I may, for the record, there is one sterling example, the First National City Bank in New York, which has had a program that has been going on for about 16 or 17 months, and they have been training almost exclusively welfare mothers in that area, on Canal Street, and have actually trained, when I visited the center last month, over a thousand welfare mothers, many of whom had young children.

As a matter of fact, they made a special count for us of the children in the program, mothers with children, and about half had preschool age, and half had school-age children, with no discernible difference in their success on the program. They had about 600 of these women now as regular employees in the bank, earning about \$2.25 an hour.

**Mr. SCHNEEBELI.** I notice their percentage of people who are working a year after the training program is very, very high. Their experience has been very favorable.

I would presume the whole New York Clearing House Association is cooperating, because Chase has advised us of the fine work they have done.

Mr. Rosow. That is true. Since this First National Bank experiment, some 30 banks in the New York area have joined together in a consortium to emulate the same type of program.

**Mr. SCHNEEBELI.** I think that is an area that should certainly be encouraged.

I think we should give proper recognition to these institutions which are doing this job on their own. I think it is a very fine effort.

Thank you, Mr. Chairman.

Mr. BURKE. Mr. Gibbons.

**Mr. GIBBONS.** Mr. Secretary, I am really interested in who is going to administer the family assistance program.

I assume that, since you are the principal witness, your agency or your Department will be the administrator, or one responsible for the administration of the program. Is that right?

**Secretary FINCH.** Yes, sir, our Department would assume the overall responsibility, and this is a critical point. It is one that is going to have to be augmented considerably by regulation. It ranges all the way from the Federal Government having total responsibility to contracting out to the different States or local subdivisions various parts of the program.

Mr. GIBBONS. Mr. Secretary, confine it to the Washington level.

If we could turn to this chart we had the other day in this little booklet called The Plan, I would like to talk from that chart for just a moment or two.

I assume that the Department of Labor is going to be involved in this, because the Secretary of Labor was here the other day, and I would like to know if you can point out to me on this chart what you are going to be responsible for, and what the Department of Labor is going to be responsible for, and I assume as you said in the beginning, that you were going to be responsible for the whole thing.

To whom can Congress come when we have a complaint about this program?

Secretary FINCH. Well, looking to this chart, I guess your break line would come between the two broad categories of received benefits. This area indicates responsibility through the Social Security Administration, and then the area of registration would be with the employment service of the Department of Labor.

After they have come to a HEW facility, which would be a separate programmatic facility which would take this registrant in, they would sign him up probably for a month's time at the outset. He would then be referred to the Labor Employment Office, or equivalent thereof, depending on the jurisdiction, and there would be a come-back card indicating that he had signed up and was in training or available for a given kind of work.

Mr. GIBBONS. We will skip the first block there, where it says 25 million poor persons, but this second block, "Receiving Benefits through Social Security Administration," you would be responsible for all of the items listed in there. Is that correct?

Secretary FINCH. For making those determinations, yes, sir.

Mr. GIBBONS. To carry them out. I am talking about carrying them out on a national level.

The reason I am asking these questions, Mr. Secretary, is because in previous administrations I have had a lot of trouble finding where the lines begin and end and I want to make sure that it does not occur in this program.

I will be a little persistent in this. You are going to take care of everything in the first block. Is that right?

Secretary FINCH. Well, let us say this: It is entirely possible that we would contract, let us say, with a given State to determine eligibility under Federal standards, and to take care of some of the monitoring beyond that downstream.

If the Department of Labor tells us that a man has refused a job, we don't go behind that decision. I don't have any flexibility then in terms of terminating his check and extending the check to either the mother, if she is in the home, or some other kind person.

It is not quite as black and white as I have indicated here, and I realize your concern and your apprehension. But these are really matters that are going to have to be in many cases subject to regulation, subject to dealing with the individual States, and how we carry this out.

Mr. GIBBONS. Mr. Secretary, let us look at the middle block, there, the one under the letters entitled "Register with the Employment Service." Am I correct in assuming that that will all be under the

supervision of the Secretary of Labor, you being responsible entirely for the schematic things that are carried on there?

Secretary FINCH. Yes.

I think one of our problems, here, Mr. Congressman, is that at least in the blocks under those receiving benefits, these are categories of people. They are not program tasks, and it is a little hard to zero in on just how—

Mr. GIBBONS. Really, all you do in that first block is collect them and split them up into different categories, and I would assume that that is what your agency would be doing. Is that right? You are just sort of screening them out to find out who is available and what to refer to Labor. Is that right?

Secretary FINCH. That is correct.

Mr. GIBBONS. So that in the middle block there, under "Register with the Employment Service," I can assume that all those functions that are listed there would be carried on by the Secretary of Labor. He would be responsible for that?

Secretary FINCH. Yes, sir.

Mr. GIBBONS. He would sort of be working under your supervision and direction, or is that a bad word to use?

Secretary FINCH. The term of art now is consortium. We work together.

Mr. GIBBONS. I hope that means more than it used to mean.

Then under the block "Receive Manpower Services," I noticed we have a little education there, a little on-the-job training, a little work experience. Who is going to carry out that block?

That looks as if it is a good one. Who is going to be responsible for carrying out that block?

Secretary FINCH. That would be Labor, by and large, in many cases using contract agencies that we would have helped fund.

Mr. GIBBONS. How about the classroom training? Are you going to let Labor run the classroom training?

Secretary FINCH. I think we are talking about institutional manpower training there, and that would be under Labor's domain.

Mr. Rosow. If we could make a slight distinction, there, Labor is not going to run it. They are merely going to arrange for these people to receive classroom training in existing institutions, as we discussed earlier. We make the referral of the person.

Mr. GIBBONS. Who is going to select the institution?

Mr. Rosow. They will be local institutions that are certified and part of the ongoing institutional framework.

Mr. GIBBONS. Who is going to certify them?

Mr. Rosow. The State or local education authority in that area. We merely use what exists.

Mr. GIBBONS. HEW will not have anything to do with it?

Mr. Rosow. Not in this particular sense. If a person comes in, is a mother, an employability plan is provided, and it is felt that her first step should be classroom training. That employment office would refer her to a facility that exists right in the locality, where she could get transportation and get that training.

Mr. GIBBONS. While she is in the classroom training, she gets a check from HEW. Is that right?

Mr. Rosow. That is right. She would.

Mr. GIBBONS. Suppose she finishes her cycle of training, and she goes out on the job market, and there is no job available. What happens to the check? Does it continue to come on?

Mr. Rosow. Yes. She would revert to the status in the first block, of being really on the family assistance program, waiting for referral to a job.

After she completed the training program, she would lose the \$30 a month incentive payment, or any additional incentive that might be present in that State's manpower training provisions, and revert to just the basic family assistance payment.

There is a cash incentive for her to make the transition from that first block into the referral registration, and then into the training program itself, a minimum incentive of \$30 a month, and as the Secretary Shultz testimony pointed out, in a case like North Dakota, where we used an example, that might be as much as \$67 or \$70 a month as an incentive for taking the training.

When the training is completed, if there is no job available, she loses that incentive and reverts to her normal status awaiting further job opportunities.

Mr. GIBBONS. Let us get to the local level. I will skip the regional level, because I would imagine that these would be coordinated through your regional offices, say, for instance, in Atlanta and Boston and San Francisco, and places like that. Am I correct?

Mr. Rosow. That is right, the regional manpower administrators.

Mr. GIBBONS. When we get to the State level, who is going to decide who runs these programs?

Mr. Rosow. Well, you are referring now to training, fundamentally?

Mr. GIBBONS. Well, training. Is the check going to come out of Washington, or Baltimore, or where is the check going to come from?

Mr. Rosow. Mr. Ball I think would like to answer that.

Mr. BALL. Mr. Gibbons, the thought is that the normal situation under the family assistance plan would be that the program would be directly administered by the Federal Government through the Social Security Administration, and the contact at the local level would typically be for filing an application, for determining eligibility, for making changes as the individual situations change. Those things would be done through—not necessarily existing social security offices, because we would have to expand very considerably, as we were saying the other day—but with a Federal office under the Social Security Administration's aegis.

Now, it is possible under the bill to have contracting out of some aspects of this to State welfare departments, and this would be a matter of working things out with the States.

For example, if they were involved with a family in a service situation, and keeping in close touch with that family, and we needed information that related to a matter of the number of people in that family that would help determine how much the family assistance payment was, we could get that from them, or if there was an appointment of a payee to whom the money should go, if they were in touch with that family, we could have a contract to get that information from them, rather than duplicate any of the processes that they necessarily go through.

But fundamentally it is contemplated that the administrative responsibility in the family assistance plan would be placed in local

offices and central operations under the Social Security Administration.

Mr. GIBBONS. Then the Social Security Administration would be the agency that I would send a letter to when somebody writes me and says, "I did not get my check."

I would have to send you a little more mail than I send you now.

Mr. BALL. That is right, Mr. Gibbons. We are always glad to hear from you.

Mr. GIBBONS. You always give fine service. I appreciate your fine work and am glad to know that you will be taking over that responsibility.

Now, who is going to decide at the State level who will conduct this classroom training, this on-the-job training, this work experience, and everything else? Will the States decide that, or Labor?

Secretary FINCH. It will be under the State manpower plan, which is more in terms of the manpower aspect to Labor than it is to HEW.

Mr. Rosow. The local employment office.

There are 2,200 of these offices, and they would have the primary responsibility for making these decisions and administering the program, in accordance with policy guidelines from the Secretary of Labor.

Mr. GIBBONS. In other words, the State employment service will be telling the public school systems in most of the States what kind of programs to offer, where they are offered, what time they start and stop, and things like that?

Mr. Rosow. No; they will not do that. They would merely use those facilities that are in place. They will not change them.

Mr. GIBBONS. Suppose they don't have any facilities in place. Who is going to finance these facilities?

Mr. Rosow. It is not visualized that we will create or fund or establish massive classroom training facilities where they don't exist.

Mr. GIBBONS. You mean this is going to be paper training—that is what it sounds like—if you don't have a classroom.

In some of the most disadvantaged States you don't have all these classrooms and all these programs. I can think of many areas in Florida where you don't have them.

Do you mean you have this box on here for classroom training, and on-the-job training, and do you mean to tell me that you are not going to set up something?

Secretary FINCH. Mr. Congressman, I think this language in section 435 might be helpful:

Provided, that in developing policies and programs for manpower services, training, and employment, the Secretary shall first obtain the concurrence of the Secretary of Health, Education, and Welfare with regard to such policies and programs which are under the usual and traditional authority of the Secretary of Health, Education, and Welfare (including basic education, institutional training, health, child care and other supportive services, new careers and job restructuring in the health, education, and welfare professions, and work-study programs), and shall consult with the Secretary of Health, Education, and Welfare with regard to all such other policies and programs.

Mr. GIBBONS. I am trying to find out if you have something new here; are you really going to get something accomplished, or are we going to go through the same thing we have just been through before?

Who is going to establish and run these schools and these classrooms and training? Is it going to be real, or just make-believe, as so much has been in the past?

Mr. Rosow. It is going to be real.

Mr. GIBBONS. Who is going to do it? If it does not exist, by and large who is going to do it?

Mr. Rosow. Just looking at our present program, on institutional training, in the Department of Labor, and we had as many as 60,000 people in April of 1966 in various forms of institutional training, and right now the last statistics I have is for August of this year, and we had 42,000 people in these programs, so that we are using it now.

As you have alluded to, Mr. Congressman, we will have to increase the capacity as we increase these registrations, and I think it will depend on the situation.

In a small community with a few people, it would not be economically feasible to put in place classroom training, and there might be situations in which there are no jobs there, and those places would not be brought into the situation as rapidly as larger centers, where we have more jobs and more training facilities, so there will be a differential rate of attention here.

We are not going to be able to be as effective in every part of the country at the same time, particularly in the early months of the program, and I think your criticism to that extent with regard to small communities could be valid.

Mr. GIBBONS. Not only small communities. I am just thinking about my own State of Florida. You know that the big cities, and I am talking about the cities of 250,000 or 300,000, get fairly good treatment, but you get down to the city of 30,000 or 25,000, which is not a real small community or a rural area, and there is nothing available in those areas. There are no schools and no facilities for job training experiences.

If what you are telling me is you are just going to be running these people around in a circle, and giving them a check for a little while while they hunt for a place to go to school, and they lose the check and write to the Congressman about losing the check, I will be driving Mr. Ball crazy over that.

Mr. Rosow. They would not lose the family assistance payment.

I might say with regard to our manpower planning in the Department of Labor that we are considering in our 1971 budget discussions going on now a greater proportion of funding for rural manpower programs to deal precisely with the type of problem you describe, and to get more effort into the smaller sized community and city in the training of about 100,000.

Mr. GIBBONS. Is there any requirement in this bill that you have to show a need and necessity for setting up a training class? I know under some of the MDTA programs that we have had, and I assume that what you are doing is talking about using some of those ongoing programs for the training, you have to first of all get proof that there is need for the job that you are training for, and then prove that you have enough students, and by the time you get through proving all those things, the students you had and/or the jobs you were looking to fill have all ceased to exist.

Are we going around that circle again and again, where you start looking for cooks and bakers or welders, and by the time you get through all the redtape, the job has moved on, or the people have died?

Mr. Rosow. Congressman Gibbons, I hope not.

We have made reference in our earlier testimony to the intent of the Department to rapidly step up the use of the job banks, and to have in place by the end of fiscal 1970 54 job banks, and, by the end of calendar 1970, 76 job banks.

We intend to use from those job banks information on where the job vacancies exist, and to design training programs to match those vacancies. Thus there will be a relationship between the training design and what the job market tells us is available, so that we can move people from the training into the jobs, and not have a disjointed relationship.

**Mr. GIBBONS.** What department of the Federal Government is going to be responsible for doing all this? Who is going to run this training? Who will a Congressman complain to in case the training program is not going right?

**Mr. Rosow.** The Department of Labor.

**Secretary FINCH.** The Department of Labor.

**Mr. GIBBONS.** The Department of Labor?

**Mr. Rosow.** Yes, sir.

**Mr. GIBBONS.** They are going to have that responsibility?

**Secretary FINCH.** Yes, sir.

**Mr. Rosow.** The Secretary of Labor is right in the middle on this one.

**Mr. GIBBONS.** He does not have to get anybody's consent to carry on this training?

**Mr. Rosow.** No. If the law is passed in its present form, it gives him the authority to do this, and also gives him the authority to use any existing programs or authority under other acts to implement this program, so that we will have plenty of legislative authority.

He will also have plenty of problems and headaches to make this work.

**Mr. GIBBONS.** On the child care program, Mr. Secretary, who is going to administer the child care program at a national level, and at a local level?

**Secretary FINCH.** That would be clearly our responsibility as a department.

Are you asking within the Department?

**Mr. GIBBONS.** Well, I know you have Mr. Sugarman over there. I assume that he is the man, or I know he used to administer Headstart. Is that the agency?

**Secretary FINCH.** No. Actually, pending further discussion between staff and so on, this would not necessarily fall under the Office of Child Development or indeed Headstart. We have not made a final decision on that.

**Mr. GIBBONS.** Who do you think is going to administer the program at a local level? Will the public school system be doing it? Will we set up a new agency to do it?

**Secretary FINCH.** It could vary, according to the capability. In some cases it might be the public school system. In other cases it might be a private agency.

**Mr. GIBBONS.** Are you going to go out and pick up some of the community action agencies, or similar agencies?

**Secretary FINCH.** Well, the language is rather broad. It says any public or nonprofit private agency or organization.

Mr. GIBBONS. What is your intention? What would you do if this were 3 months later, and this act had passed. What would you do right now?

Secretary FINCH. Our people would go and find the most responsive and most responsible agency that had the capability of running it.

Mr. GIBBONS. Would you use churches?

Secretary FINCH. We could, under this language; yes.

Mr. GIBBONS. You could use sort of any private nonprofit corporation organized under State law?

Secretary FINCH. Yes, sir.

Mr. GIBBONS. Whether they had been in existence for any time or not?

Secretary FINCH. I would have to check the language, but it might even be a profitmaking organization.

Mr. GIBBONS. What would you pay these organizations per day to take care of the children?

Secretary FINCH. You might, in a given instance, if you were on the profit side of them, compete to see who could do the best job under whatever circumstances.

Mr. GIBBONS. Have you worked out any budget as to how much it is going to cost to take care of these children?

Secretary FINCH. Yes.

Mr. GIBBONS. What is the cost per day, for instance?

Mr. PATRICELLI. We have budgeted for 430,000 day care slots, of which one-third would be for preschool children, that is, full-day day care, and we are budgeting for that \$1,600 per child per year.

That is a quality day care program that includes educational and nutritional components and medical components, and the remainder of those 430,000 opportunities are for after-school day care for working mothers, and that comes in at roughly \$400 per year per child.

Mr. GIBBONS. When you say per year per child, you are talking about a 12-month year. Is that right?

Mr. PATRICELLI. In that case we are talking 12 months a year. It would be after school for 9 months, and full-day care during the summer.

Mr. GIBBONS. And the figure was 450,000?

Mr. PATRICELLI. 450,000 total day care openings, and that is the number of openings computed as necessary to take care of the 150,000 mothers in job training opportunities that we are funding.

Mr. GIBBONS. That is about one-twentieth of the number of children who live in poverty. Am I right? You have 16 million kids in poverty, and you are talking about 450,000 of them that will be cared for?

Mr. PATRICELLI. It is also greater than the size of the Headstart program in one fell swoop.

Mr. GIBBONS. The Headstart program is about 600,000 right now, is it not?

Mr. PATRICELLI. No. The summer opportunities swell it a lot, but in terms of full year Headstart, it is a good deal smaller than that.

Mr. GIBBONS. Can we reduce it to equivalents? It is about the same size as the Headstart program?

Mr. PATRICELLI. In dollar terms; yes. Headstart is about \$350 million and this would be \$386 million in the first year.

Mr. GIBBONS. Let me ask this. Maybe I am assuming the wrong thing.

Is the Headstart program going to go on? Are you asking for it to go on at \$350 million?

Mr. PATRICELLI. We are.

Mr. GIBBONS. And this one on top of it?

Mr. PATRICELLI. We are.

Mr. GIBBONS. So that we would have about \$750 million in child care, roughly about 700,000 children in child care facilities in both Headstart and in yours?

Secretary FINCH. That is an accurate statement. It is part of this Presidential commitment.

Mr. GIBBONS. What is the difference between this and Headstart? Why do we have two programs?

Secretary FINCH. The entire concept here is again to zero in on the welfare family and to pick them up even before the 3-year usual point of departure and before they hit entry level for orthodox school situations.

Mr. GIBBONS. How will this program differ from Headstart?

Mr. PATRICELLI. Of course the Headstart program is being operated on delegation from the Office of Economic Opportunity and subject to requirements of the Economic Opportunity Act with regard to program sponsorship, namely, most of those Headstart programs are operated by community action agencies.

These programs will not have to be operated by community action agencies. It can be contracted to any profit or nonprofit public or private group for operation.

The nature of the program, the content of the program, however, would be probably quite similar in terms of the quality of the educational, nutritional, and medical services being offered.

Mr. GIBBONS. Now, to go back to the State administration here, if a State refuses or fails to act in any of these areas, suppose you had a recalcitrant government, what would happen to the program as far as the Federal Government is concerned? Would you just abandon that State?

Secretary FINCH. No. Unlike some of the other programs involving State plans or State response, this is not an all-or-nothing determination. It says all or part, and I think the club, to use Congressman Byrnes' term, could be used sparingly rather than to behead a given State program.

Mr. GIBBONS. Let us go back to the work assistance or the low-income employed person whose income is so low that it has to be subsidized by this guaranteed income type of arrangement. What are you going to do to prevent this from just being a permanent subsidy to some types of low-pay industry that just rock on for year after year after year. In effect you will be providing a whole manpower pool for them, would you not?

Secretary FINCH. I think the Department of Labor has done some studies that refute the implication either in terms of pools of cheap labor or in terms of individual motivation.

Mr. GIBBONS. I can understand the motivation thing, because I think you are moving in the right direction there, but I am wondering about the problem of whether you have just set up a segment of our industry that will permanently depend upon these subsidizing workers.

Is that not actually what is going to happen?

Secretary FINCH. I don't believe so.

Mr. ROSOW. We don't think so, either.

Mr. GIBBONS. What are you going to do to stop it?

Mr. ROSOW. It could be possible in a few marginal instances, but in the main the evidence shows that for the working poor at the lowest level of the wage structure in America today, wages have been advancing about 6 to 8 percent a year, and a number of the working poor are leaving that level of compensation every year. About 200 to 300 thousand a year are exiting from poverty in the present situation.

Furthermore, as Mr. Patricelli pointed out this morning, in the absence of some support for the working poor, it would be financially more attractive for many of them to discontinue working in total, and this program, by giving them a helping hand to keep working makes it attractive for them to keep working, and to work themselves out of poverty.

Mr. GIBBONS. That depends, I think, on how the individual would be motivated, and I applaud you for doing that.

For instance, I am worried about the agriculture industry in some States. Would this not just be a ready-made reservoir for low-paid jobs for agriculture? Is that not what we have really created here?

We don't extend the minimum wage to agriculture. Agricultural labor cannot organize or use the rights of the National Labor Relations Board to organize. We have not included them under unemployment compensation.

Have we not just sort of set up a subsidized pool for agriculture? Is that not what we are doing?

Mr. ROSOW. That is certainly not the intent, and I think it unlikely that it would function in that manner.

With regard to collective bargaining for farm laborers, the Department of Labor has submitted separate legislation earlier this year in Congress, recommending the establishment of a National Farm Labor Board, and also has made recommendations for unemployment insurance coverage for people in agriculture, a selected portion.

So that there have been two legislative proposals addressed to two points that you raised.

Mr. GIBBONS. I am not faulting the administration, but I have observed that it is a little hard to get those things through Congress.

Mr. ROSOW. I agree with that.

Mr. GIBBONS. Now, a number of years ago, I was on an inspection trip for the Education and Labor Committee and looked over many of the job training programs throughout the United States, which were very interesting and very educational.

I was struck by the fine work that we were doing in on-the-job training, and how realistic it was, particularly for minority type groups to get jobs in small businesses, in the WIN program.

How many people do we have enrolled in the WIN program right now, in job training activities?

Mr. ROSOW. About 63,000.

Mr. GIBBONS. How many in on-the-job training?

Mr. PATRICELLI. Perhaps while Mr. Rosow is looking for that number I could amplify on something the Under Secretary said a little while ago.

Mr. GIBBONS. Fine.

Mr. PATRICELLI. We certainly agree that on-the-job training is a very promising means of rehabilitating and finding a job at the end of the training process for a poor person.

The technique that is new in this bill is to permit the Department of Labor to use for a limited period of time the family assistance money, the welfare money, that is being paid to the individual instead to reimburse the employer for his training expenses in a JOBS or on-the-job training slot.

As you know, under OJT programs, the employee gets a regular wage. He does not need his family assistance benefit any more, so what we are really suggesting is let us tap this pool of welfare money to make it possible for American business to open more and more of these on-the-job training slots.

Mr. GIBBONS. I think that will work. Yes, sir.

Mr. Rosow. I think, Congressman Gibbons, you have put your finger on one of the weak parts of the program, because we have a very small number in on-the-job training at the present time.

Actually, in regular on-the-job training, there are 288 of the 41,000 people who are in various training. This is a manifestation of the fact that many of these people need prevocational training. In other words, we have around 3,700 in orientation programs, 8,800 in basic education, we have 35 hundred in other prevocational training, we have 96 hundred in institutional training.

In other words, these are people who need preparation before they are acceptable to go ring on a job.

Mr. GIBBONS. I am not a novice in this field. I have been through this thing for 6 years and longer than that in the State legislature, and what you are telling me is just baloney.

When are you going to get out and do some real honest-to-God on-the-job training? Congress can pass these laws, and give you the money, and we have given money under many programs to do this, but you don't carry it out.

You want to set up a classroom, and these people have failed in classrooms before, and will fail again. It is not realistic.

What can we do to make you do some on-the-job training? 200-something out of 63,000 is ridiculous. I have not found anybody in this whole Government bureaucracy that has not said on-the-job training is good, from the President on down, but we cannot get you to do it.

What is the trouble?

Mr. Rosow. We do have on-the-job training in our manpower programs, and if we look at the total manpower programs, there are 35,000 people.

Mr. GIBBONS. Out of 63,000 in this WIN program, 200-some-odd jobs in on-the-job training is just ridiculous.

Mr. Rosow. I think it is related to the fact that many of these people have six or seven or eight grades of formal education. They need basic reading and writing and arithmetic training.

I don't think it is a love of classroom training for its own sake. I think it is the fact that employers will not take many of them in their present condition. A recent evaluation has shown that.

Mr. GIBBONS. I may have the distinction of having gone through more slums than any other Member of Congress, but I have been through them and talked to people who employ people, and have gone

in and out of the shops where they work, the printing shops, and they will take these on-the-job trainees, but you have to run them through a classroom and get these fantastic dropout rates as soon as the people's training allowance begins to run out.

The Washington newspapers have had this in the newspaper for years, in and out, and all over the United States I have been in.

I am not going to argue any more about it.

Mr. Rosow. I think we are in the same spirit, Mr. Congressman. We would like to increase the proportion of on-the-job training, but I think it is fair to say that an evaluation of the WIN program that I have here points out that of the barriers to employment for WIN trainees, the factor that accounted for nearly three-fifths of all reported barriers to employment was the lack of education, training, skill, or experience among the personnel that we are servicing.

Mr. GIBBONS. Do you know what that means down in my country? If he walks in, instead of saying he is black, they say that. That is what it amounts to. That is what it adds up to, and that is what it adds up to around the country.

You ought to get out and see what goes on in this country, and you will know what it adds up to.

If you put a black man in a small plant, where they have never had one before, you will find out that he can stay there and hold down the job, and get along all right. But, frankly, when you say out that they don't have the skill, you know, it is the same thing we say about a lawyer when we don't want to hire him, after he has finished 7 years of law school. They are the same kind of mealy-mouthed words we use about him.

We have a 5-year program here, Mr. Secretary. Do you expect the States will be supplementing this after the 5th year? What does the future look like?

I realize we cannot pass one that is indefinite.

Secretary FINCH. The States are obligated to supplement throughout. What we are talking about in terms of the family assistance program is a 5-year program.

Mr. GIBBONS. You would figure that at the end of 5 years we would still be requiring the States to supplement?

Mr. VENEMAN. It is the other way around, I believe. I believe for 5 years we are assuring that we will pay 90 percent of the cost that the State would have had to pay had the present program stayed in effect, and/or they would have to pay at least 50 percent of the cost in the lower States.

I think that is where the 5-year limitation comes in, Mr. Gibbons.

Mr. GIBBONS. Thank you.

Mr. BURKE. Is that all, Mr. Gibbons?

Mr. Betts.

Mr. BETTS. Mr. Secretary, this question may have been asked, but what did you anticipate in the way of a cost of administering the program, and increased personnel?

Secretary FINCH. 25,000 people.

Mr. BETTS. 25,000 additional?

Secretary FINCH. 25,000 people.

Mr. BETTS. 25,000 additional people?

Secretary FINCH. Yes, additional people.

**Mr. BETTS.** How much?

**Mr. BALL.** Mr. Secretary, that 25,000 people is our rough estimate as of this time, Mr. Betts. In dollars, it is really hard to make a good judgment on this, but it could certainly, for that many people, come up in the neighborhood of \$250 million, maybe rounded up as high as \$300 million.

**Mr. BETTS.** Is the part of the cost of that administration which your office takes care of, met out of the trust fund?

**Mr. BALL.** No, this entire program, and I would like to emphasize it as strongly as I can, is entirely separate from the contributory wage-related Social Security system, which is trust fund financed, and would be kept entirely apart.

This is general-revenue financed, the family assistance proposal, both in terms of the benefits to be paid and in terms of the administrative costs.

Now, we at the present time have the task of allocating among the various trust funds certain common administrative expenses, and that would be true here, but the whole idea is to have the costs of this new program borne 100 percent from general revenues, and Social Security kept entirely apart from it.

**Mr. BETTS.** I think that is important to have in the record at this time.

I assume that this program and the job program will include the use of large data banks. Is that correct?

**Mr. BALL.** I believe the Labor Department is speaking of extending the job bank idea from city to city—for instance, the kind of thing they have in Baltimore now.

As far as the cash payment part is concerned, Mr. Betts, we would have somewhat the same kind of task that we have in paying Social Security payments: that of maintaining a going beneficiary roll, and of course the fundamental job, once you get the information into it, is a computer job, but the application-taking, the determination of eligibility, the making of changes, a large part of that has to be done by people.

**Mr. BETTS.** Now, I assume that that will be true of the job bank, too. In other words, there will be a case history of each registrant, both in the job bank and welfare program. Is that correct?

**Mr. Rosow.** Yes, the Department of Labor will have a complete work history on each registrant. We are trying to see if we can fit that in the job bank now.

At the present time, the job bank is designed to list vacancies that the employers phone in every day, and to be revised on a 24-hour basis.

We also have a job matching system which exists in Utah and Wisconsin, which actually has the information on the person and the information on the vacancy, and matches the two together and prints it out on the machine. We hope to extend that.

But in the interim, we want to graft onto the job bank a means of treating through the machine the registration information.

**Mr. BETTS.** This may not appear to have any connection with this program, but I am concerned about proliferation of bureaucracies in this information that you have on registrants, and the temptation to use it for a lot of other purposes.

Is there any plan so far as confidentiality is concerned?

Mr. Rosow. As far as we are concerned; yes. It would not be accessible to the general public, and would be subject to all the normal constraints with regard to information of this character.

Secretary FINCH. Ours would be the same.

Mr. BETTS. Do you have available the information from other departments of Government, information on the registrants?

Mr. Rosow. Mr. Ball will have some; yes.

Mr. BALL. Yes, Mr. Betts. In terms of verification of an individual's statement of his expected income and wages and so on, we would rely in the first instance, to the extent that they are applicable, on social security wage reports, but we would also have available reports from Railroad Retirement, and Internal Revenue Service, and other governmental records.

There would be information exchanges of that type, but we would intend to protect against public disclosure, just as we do for social security records today.

Mr. BETTS. I was going to say there is something in the law today to that effect; is there not?

Mr. BALL. Yes; there is a very strict confidentiality requirement in the present law related to social security, and very strict regulation.

Mr. BETTS. But there is nothing in this bill which would apply the same restrictions to the job bank or the welfare banks that you have. Is that correct?

Mr. VENEMAN. We have that in the statutes at the present time, which precludes the disclosure of information from public assistance recipients, and that is not being taken out of the statutes.

Miss SWITZER. And this is true for most of our Department's programs that deal with individuals. There is a very strong confidentiality law for most of our programs.

Mr. BETTS. Thank you.

Secretary FINCH. And there is specific language in this bill, page 26, section 452, Congressman.

Mr. BETTS. Could I have that again?

Secretary FINCH. Page 26, section 452(6) is the general language that goes to confidentiality in the bill.

Mr. BETTS. Thank you very much. I appreciate that.

Mr. BURKE. I would like to ask some questions on the trust fund.

I understand that the balance in the fund at the beginning of the period for the Federal old-age and survivors insurance trust fund was approximately \$28.1 billion, and for the Federal disability insurance trust fund was \$1.6 billion, and the hospital insurance trust fund, \$2 billion.

In relation to the interest that is paid back to the trust fund by the Federal Government for its borrowings, I understand that that interest rate is based on the average of the outstanding indebtedness over the years. Is that correct?

Mr. BALL. Mr. Burke, that is approximately correct.

Just to make the record absolutely complete, I might remind you that the trust funds can hold two kinds of securities. One are those that are bought in the open market, in which case they will have the yields that the open market has. But this is a minority part of the holdings of the fund. The great majority of the funds are, as you suggest, special issues. Now the interest rates on the special issues are

figured as the average yield on all the outstanding marketable obligations of the Federal Government that are not due or callable for 4 or more years after the date when the special obligations are issued.

In other words, we average—the Treasury averages—all those that are not due or callable for more than 4 years from now, averages the yield rate—not the coupon rate, but the yield rate—on those, and that is what goes on the face of the new issues of trust fund investments.

The object, of course, of this procedure is to treat the trust funds just as closely as you possibly can to other long-term obligations of the Federal Government.

You average all that are in the open market and arrive at the yield on those, and then give the trust fund the same rate.

**Mr. BURKE.** When you go back in these yields, you find some of them based on borrowings made over 15 years ago at an interest rate of 2 $\frac{1}{2}$ %.

**Mr. BALL.** 2 $\frac{1}{2}$ %, that is correct.

**Mr. BURKE.** It seems to me that the trust fund is subsidizing the operation of the Government because of the failure of the Government to pay an equitable rate of interest back to that trust fund on its borrowings.

I would think that a change should be made. Where we have this pyramiding of interest rates, where the public is being charged, and the Government is paying over 8-percent interest, I believe that we should at least have the averaging based on the rate of interest that was in existence no more than 12 months prior to the borrowing.

**Mr. BALL.** Mr. Burke—

**Mr. BURKE.** To follow through, this would prevent the siphoning off of funds from the trust funds, and paying back into the trust funds what the Government is paying to the banks on their borrowings.

**Mr. BALL.** Mr. Burke, the procedure that was adopted by the trustees some time ago was to get the maturities of the instruments at 15 years, so that it is true that some are still in existence from the days when interest rates were very low.

But, you see, following the same procedure, the funds also get the advantage of a period when interest rates are high, and what we are dealing with here is a long-range financial situation that will average out.

We are talking about use of these funds over a very long period of time, and it has been our thought that taken on the long range, the periods of low interest and the periods of high interest just about balance out and you really should not expect the trust funds to be treated more generously than private funds are treated.

And a private fund, if it bought investments back when there was 2.5-percent interest on Government bonds, are stuck with them, too, and if they go to sell them, have to sell them at discount.

So that I believe the procedure followed, except for one factor, results in treating the Trust Funds just about the same as private funds are treated.

That one factor is that at the present time, as you know, there is a limit on the interest that can be charged on long-term Government bonds, and therefore the managing trustee is constrained, now that we have high interest rates, to limit the length of maturities on these

investments to avoid being in violation of the present limitation on interest on Government bonds.

I think with that one exception, if we could get that one thing changed, then you could say that the trust funds are being treated fairly compared with private investors.

**Mr. BURKE.** This is a big issue here, that is due on June 30, 1970, \$1,671,000,000 at 6.58 percent interest. I imagine that must be an issue that—

**Mr. BALL.** It sounds like a public issue.

**Mr. BURKE.** Where could the Government go and get money at that rate today?

**Mr. BALL.** Six and a half percent? I think that is close to the market rate today on Governments, Mr. Burke.

**Mr. BURKE.** I thought it was closer to seven and a half.

**Mr. BALL.** The seven and a halves and eights I believe are in the instrumentalities, rather than the long-term bond yields.

**Mr. BURKE.** It seems to me that the Government is taking advantage of these trust funds by borrowing at low rates of interest based on the long period of indebtedness, averaging out rather than paying the interest, say, based on an average of the 12-month period prior to the borrowing, and I think that it might only amount to a half a percent or 1 percent, but over a period of years or a period of 10 or 20 years, it should prove to be quite costly to the trust funds in siphoning off funds.

**Mr. BALL.** Let me remind you that in the 1967 committee report the current Advisory Council was directed to take a particular look at the question of earnings on the trust fund, because there was concern on your part, and on the part of several other people, on the matter, and they have asked the Council to review this.

As I said, it is my judgment that they are being treated fairly, with the one exception of the maturities. At this time, when interest rates are high, the maturities should be set at for as long a period as when interest rates are low.

But nevertheless, we will have a comprehensive look taken at this issue, not by me, but by these outside people, that include some distinguished bankers, insurance actuaries, economists, and other non-governmental people who will pay special attention to this, by your direction.

**Mr. BURKE.** Thank you.

There is only one other question that I would like to ask before we recess.

I would like to ask this of the Secretary, because you indicated in your answer to me the other day that one of the concerns about not raising the social security benefits above 10 percent, and not having this take place until April 1, was the restrictions that the Government felt they should place on inflation.

**Secretary FINCH.** That was a factor, sir.

**Mr. BURKE.** That is the right observation?

**Secretary FINCH.** That was a factor, yes, sir.

**Mr. BURKE.** How much of a burden do you believe that the elderly can carry, as far as this inflation is concerned? Do you think that they are able to carry this burden until April 1, with their fixed incomes and their low social security checks?

Don't you think it is unfair to expect them to carry something that they are not able to carry, as far as their need is concerned?

Secretary FINCH. I suspect if you can go back and look at the whole cyclical history, they have had to carry this burden ~~for~~ almost 2-year periods. I would have to concede it is inequitable, and that is why the administration wanted to put the cost-of-living increase into the bill itself.

Mr. BURKE. I am not discussing the cost-of-living increase. There is a great question there whether you are going to just continue the agony. The checks are insignificant now. If you give them 10 percent, which the administration recommended in April, when the cost of living will go up more than 2 or 3 percent between now and then, and you grant them a 10-percent increase, then you say you are going to grant them a cost-of-living increase from then on. You have them down on such a low-income bracket, the cost-of-living increase will be insignificant and they will just continue on with the drudgery and the suffering that they are facing today.

I think the first factor we have to face is to bring the increase up sufficiently high to that we can take care of their needs.

Secretary FINCH. I respect your observation on it. There is not much more that I can say, Congressman.

Mr. BURKE. You don't seem to answer the question so far as carrying the burden of inflation is concerned. Why should the Social Security recipients be called upon to carry the major part of this inflation?

Secretary FINCH. As I said, there were several factors. This has been a historical thing. We are trying to break them out of it, as I indicated. We have the problem of how soon we can implement it. We had some discussion on this when Mr. Ball and I were here last. I think whether it is 8 percent or 10 percent or whatever, we think the 10 percent is responsive and it could be enacted rather quickly and the beneficiary could make his plans based upon the certainty he could have that increase in a few months hence.

Mr. BURKE. I was at a meeting in my State where Governor Sargent recommended an increase forthwith and the junior Senator from Massachusetts suggested an increase of at least 20 percent. I was waiting for some other Republican to come along to see if he could top that figure.

Secretary FINCH. That comes next year.

Mr. BURKE. There are a lot of statements being made around the country, but we would like to see some action on the part of the administration to carry out these things.

Mr. COLLIER. I have been very patient, and I continue to be patient. But I would rather come back, because I want to talk about this proposition of political bidding. It is very important.

Mr. BURKE. Are you going to be here tomorrow morning, Mr. Secretary? If you don't mind, we will ask for a recess now until the members make the quorum.

(Brief recess.)

Mr. BURKE. The committee will be in order.

Mr. Collier?

Mr. COLLIER. Thank you, Mr. Chairman.

Before going into the general areas of the legislation in front of us, I would like to make note of this. My colleague from Ohio, Mr. Vanik, a couple of days ago expressed his concern, or shall I say "criticism" of

section 445(c) of the bill as it applies to the eligibility of a member of the Armed Forces.

In that connection you will recall the thousands of GI's at Fort Dix, N.J., who were receiving public welfare assistance. I questioned the accuracy of his estimates at that time, and I would like to submit for the record that I called Robert Gallagher, director of public welfare for Burlington County, N.J., which serves the Fort Dix area.

There are presently on welfare in Burlington County between 15 and 20 families, which is a bit short of thousands that he indicated.

I might also point out that in many of these instances it is the result of a serviceman being transferred and failing to make out the proper allotment papers for his family, under which circumstances the family is obliged to contact the Army Emergency Relief.

I understand further in most cases they prevail upon the GI to sign the proper papers.

The Department of Defense has also advised me of the 3,700 enlisted men presently at Fort Dix, and that is the normal number of men at this particular base. Between 1967 and February 1969 there were an aggregate of 30 families on welfare applying for community services. This, I might point out, was prior to the time that the military pay raise was put through in July.

I would also like to have the record show that presently in the case of an enlisted man with a buck private rating, his base pay is \$1,485, subsistence \$936, his quarters allowance \$1,087, which comes to \$3,509. And in most States a GI could not qualify for assistance under existing laws in those States with this income.

I would like to further point out, because generally those who have families have military ranks higher than that of a buck private, in the case of an E-5 sergeant who has two dependents, meaning a wife and child, his base is \$3,940, subsistence \$936, quarters allowance \$1,260, giving him a gross income of \$6,141.80. And I seriously doubt if he would qualify under this program with that type of income.

So I would like the record to so indicate these figures.

Mr. BURKE. Are you asking unanimous consent to insert those figures in the record at this time?

Mr. COLLIER. I make that request.

Mr. BURKE. I would ask unanimous consent that the matter be left open for Mr. Vanik to reply, if he so wishes, as he is on the House floor at this moment.

Mr. COLLIER. I think that is only proper and necessary in view of his miscontention.

Mr. BURKE. Without objection, it is so ordered.

Mr. COHEN. Following up Mr. Vanik's request for information, in those public assistance programs there is no Federal money involved. To the best of my knowledge this was purely a State of New Jersey program.

Mr. COLLIER. I think it is good to add this, but he was talking in terms of qualifications for existing welfare assistance. I merely wanted the record to indicate the facts in accordance with that information.

Mr. BURKE. The Chair would like to make this statement. The Chair was called out when Mr. Vanik made this statement, but he may have been referring to thousands of GI's around the country who are faced with high rents in housing and the high cost of living off the base and being unable to meet these prices.

Mr. COLLIER. I could not agree more, but I think we were directing the colloquy we had to a specific section of this bill. And if there should be relief to the serviceman—and I am one of the sponsors of the last bill to increase the income of servicemen 10 percent, and I am certainly not taking exception to the fact that this is certainly a job that should be done. What I am saying is for the legislative record of this bill I am submitting, I would be delighted to join my friend from Ohio in introducing legislation at the proper time to further increase the pay scale of the servicemen.

Mr. BURKE. I certainly agree the enlisted man today, with his family living off the base, is living under very unpleasant conditions, and in many cases he is being gouged on rents far higher than they should be. And there is a great need on the part of the Government to provide some housing facilities for these people.

Mr. COLLIER. I am thoroughly familiar with that. I have a son who is presently in the service at this time living on the base, and I don't think you can get that much closer to the problem.

Mr. BURKE. I don't think you can, and I want to commend the gentleman.

Mr. COLLIER. Going on to this probable 10-percent proposal in this bill for increase benefits, I think properly we should point out that in the HEW budget—and, gentlemen, correct me if I am wrong—there was a provision for an increase at that time of 7 percent in social security benefits, which since has been adjusted upward because of a reevaluation, as I understand, of the actuary of the trust fund.

So the acrimonious pleas in the matter of how high the benefits should be raised seems to me should have been and could have been expressed in terms of increasing the benefits 2 or 3 months ago at the 7-percent rate, always subject to subsequent readjustment. Consequently, these social security annuitants would have had a 7-percent increase for at least the 6 months of the balance of 1969.

I realize there is always the temptation at any time we feel with revising social security benefits to engage in political auctioneering, if I may call it that, in what the increased rates should be. At the time it was suggested, and suggested not from any official source, that there was available funds to increase the social security benefits by 7 percent, there was immediately a response from some quarters that it should be 10 percent.

So it does not surprise me one bit that now the recommendation based on the actuarial of the fund is now 10 percent and that there are now a series of bills calling for increases running from 15 percent, I believe, all the way up to 50 percent, which I might say does not recognize the ability of the trust fund to meet the obligation.

Let me ask, if I may, whether or not the automatic raise in the base will take care of what has been a deficiency in the medicare costs of the social security trust fund.

Mr. BALL. Not by itself, Mr. Collier. There are really three things which are needed and are included in our proposal to correct the situation in the hospital insurance part of medicare.

Mr. COLLIER. They are what?

Mr. BALL. First of all, as you suggest, the automatic increase in the maximum earnings base from 1972 on is a big part of the solution, and raising it first to \$9,000 from the present \$7,800 is another part.

In other words, we are proposing getting up to \$9,000 in 1972, which is comparable to what it has been throughout the fifties, and keeping it up there.

Mr. COLLIER. Maintaining the taxable rate at the present level?

Mr. BALL. Then on the taxable rate we have proposed that the ultimate rates scheduled now for 1987 at 0.9 percent on employers and 0.9 percent on employees be moved up and go into effect in 1971.

Those three things together, the moving up of the ultimate contribution rate to 1971, going to a \$9,000 base, and then keeping it up-to-date, those things combined put the hospital insurance program into an actuarially sound position.

Mr. COLLIER. There was also some concern, and understandably so, with the necessity to increase the contribution of the retiree to that part of the medicare program which defrays the cost of physician care. Some of you gentlemen may remember that at the time that we were considering the medicare program, some of us pointed out that the estimates were too modest. We predicted at that time—and I think the record will so show—that the rate should have been higher, and, further, that the \$3 a month contribution was inadequate to meet the cost. And that has certainly developed.

Mr. BALL. Could I comment on that? Were you going to another point?

Mr. COLLIER. I would be delighted to have you comment.

Mr. BALL. I think it is important for the country to understand, Mr. Collier, that it was always assumed that the premium rate in the doctor bill part of medicare would have to go up. No one ever thought that that original rate could hold on into the future. Being stated in dollar terms, it is quite obvious that from time to time as costs rise—and costs over time are just bound to rise—even if physicians' incomes did not go up, their costs of doing business, the salaries that they pay, and so on, would go up.

So the \$3 rate was a rate which was established for the first period, and the law was written so that the Secretary is required to increase that rate to cover the costs in an ensuing period.

Mr. COLLIER. The fact of the matter was that it was not adequate to cover the first term. Is that not correct?

Mr. BALL. It was slightly too low, but not substantially. As I remember, it was about 7 percent.

Mr. MYERS. The original rate should have been 7 percent higher.

Mr. BALL. The \$4 rate for the period that it was first promulgated for, Mr. Collier, is also slightly under. Instead of \$4, it should have been about \$4.20 or \$4.30.

Mr. MYERS. It should have been around \$4.30 for the period April 1968 through June 1969.

Mr. BALL. It should have been another 7 percent higher.

The reason why we are in difficulty is related to the extension of that \$4 rate into the present period, where it is quite clearly very inadequate for the period that we are now in, and when we promulgate a rate for the next period in December we have to consider the current experience and project from it.

Mr. MYERS. As you know, I am responsible for making the calculations underlying this premium rate.

To go back a little, let me briefly say what the law states. The law says that the premium rate is to be the amount necessary so that the aggregate premiums for each 12-month future period will equal half the total of the benefits and administrative costs plus an allowance for a contingency margin.

The law also says that, when the Secretary promulgates a rate, he shall set forth the actuarial bases employed by him. That particular provision was put in the law in 1967 amendments.

As I have indicated, the original \$3 rate was based on relatively little actual experience. It was not certain just whether it would be right or not. As a result, Congress made provision for a contingency reserve that could be drawn on if the experience was very bad. The fact that the rate was about 7 percent too low did not hurt the trust fund, on a cash basis, because there was a lag between when the benefits were incurred and when they were actually paid out.

In other words, let us say that a person has a doctor bill today. He may send the claim in three months from now, and it may take another month or so to pay. So, on a cash basis, the trust fund may have money, but on an accrual basis it may not be in as good a position.

In determining the premium rate for the current fiscal year, that was promulgated last December, I estimated that a rate of at least \$4.40 would be necessary, and I thought that probably \$4.50 would be better. In determining this rate, I don't try to be ultraconservative and have a rate that is going to be too high, although that would be a very comforting thing to do as an actuary. I try to get a rate as low as possible that will still meet the conditions of the law.

I made this estimate of \$4.40 as the minimum possible rate, but Secretary Cohen decided the rate should be \$4, in spite of all of the evidence that this would be just an impossibly low rate.

**Mr. COLLIER.** I recall that very well.

**Mr. MYERS.** Experience so far shows that, if the rate had been \$4.40, or \$4.50, it would actually not have been high enough. For July, August, and September of this year, the experience shows on a cash basis, which tends to be a little below the incurred basis, that the rate should have \$4.26 a month. And, for the year as a whole, I suspect it will be nearer to \$4.60, because during the winter months, particularly after the year end, people submit more bills and the rate of benefit outgo rises.

So, in brief, this is a summary of the experience of the system. It is very likely, in fact it is certain, that the balance in the trust fund will decrease very considerably during this fiscal year from the level of \$378 million at the beginning of the year, and it will probably drop to around \$100 million at the end of the year, which is far below what should be in the fund.

As to the cash benefit funds, we have said that they should have about a year's benefits on hand. But for this particular type of system, where the premium rate is determined on an incurred basis, the balance in the fund should be roughly four months of benefits payments, which is around \$600 million. The law says that the premium rate is also determined on an incurred basis.

**Mr. COLLIER.** Let us assume hypothetically that the benefits would be increased 15 percent as of January 1. What would the actuary be 2 years from now assuming there was no increase in the tax rate? In

other words, if we went to a 15-percent figure instead of a 10-percent increase in cash benefits, what would be the situation?

Mr. MYERS. The cash benefits program is a long-range program financed by a schedule that is determined for many years in advance. There would be quite sufficient income to meet the outgo over this short period that you specify.

Mr. COLLIER. I am talking about preserving on a long-term basis, which is the way I am sure you have to calculate this, beyond just the immediate situation.

Mr. MYERS. If there were only a 15-percent increase and no change—

Mr. BURKE. If the gentleman would yield, are you asking a question on the tax rates that will take effect as of the present law?

Mr. COLLIER. Yes. As of the present law.

Mr. BURKE. In addition to the tax increase under additional legislation.

Mr. COLLIER. We are talking in terms of financing other provisions of the bill based on an automatic adjustment of the base.

Mr. BURKE. Your question was: If there were no increases and there are increases called for under the present law—

Mr. COLLIER. The increases, as I understand it, would be maintained to trigger in the cost-of-living increases as they developed in the future. Is that correct, or is it not?

Mr. MYERS. Under the present financing—

Mr. BURKE. I am just trying to get a clarification of your question. Are you asking the question of additional taxes over what the present law calls for or the additional taxes that are called for under the present law?

Mr. COLLIER. Do you understand my question?

Mr. MYERS. Yes; I think I do.

Mr. COLLIER. Why don't you try to answer it?

Mr. MYERS. As I understand the question, which is, if we have the same financing basis as in the present law with the same earnings base and the same contribution schedule for the future, could we finance properly over the long range a 15-percent benefit increase?

Mr. COLLIER. That is exactly the question.

Mr. MYERS. The answer is you could do that, but you could not do any of the many other liberalizing and improving features that are in the administration bill.

Mr. COLLIER. I am talking about preserving the other features, which I don't think anyone objects to, and I want to preserve the other features because I have not heard anyone on the committee say they are opposed to other liberalizations.

Let's talk about what is in the bill in terms of the present base. This is what I am talking about. Will the system be actuarially sound 5 years from now if we did this?

Mr. MYERS. No; it would not be actuarially sound to do that. You might have enough money for a number of years, but in the long run the system would run into financial difficulty.

Mr. COLLIER. That is not, then, the proper way to run the system; is it?

Mr. MYERS. I would not think so.

Mr. COLLIER. When we talk of going beyond the 10 percent, which is properly so, with the 8-percent increase in the Consumer Index

increase since the last social security increase, when we go beyond that, we are jeopardizing the actuary unless we increase the tax rate. Is that correct?

Mr. MYERS. That is absolutely correct.

Mr. COLLIER. I just wanted the record to show that.

I will not take too long. There is just one other aspect of previous dialog that I would like to press briefly.

In setting up a program for dependent children and from the explanation, it would be kind of a two-layer thing similar to the Headstart program but would not be jurisdictional like OEO. Would it be possible to use the facilities and some of the administrative structure in the existing Headstart program rather than risk the possibility of a duplication to carry out the present goals of the family assistance plan?

Secretary FINCH. I would like to ask Mr. Sugarman to speak to that.

Mr. SUGARMAN. It is our contemplation, Mr. Collier, that that would be possible if that particular grantee in a community is the best grantee. But we would make this decision on an ad hoc basis in each community. As a matter of fact, that practice already exists in some communities where day care funds under the present title IV are being used in the same program with Headstart funds.

Mr. COLLIER. I asked this question because I did not want the impression left that we were stacking one program on top of another and that there would be no coordination. I sense that there would be, because inasmuch as a part of the job training program would be placed under the jurisdiction of the Department of Labor. And there is no reason in the world why part of the operation of this program could not also utilize the facilities as well as the personnel of the Headstart program.

Mr. SUGARMAN. The Secretary of HEW, the Director of OEO, and the Secretary of HUD have established a procedure for coordination of day care efforts which is in effect now. And we are working with State agencies along these lines and also with local agencies.

Mr. COLLIER. I have one other question, which deals with the topic that came up earlier. And that is the apparent indifference to participation in the WIN program.

Did I understand one of you gentlemen to say that you were going to review this aspect of the program with the thought in mind of getting the local caseworkers to do a better job of encouraging participation in this program?

Secretary FINCH. I think we had best let Jerry speak to that from the Department of Labor.

Mr. Rosow. If you would refer to this chart on welfare, I think the point I was trying to make—and I have every reason to believe it—if the law were written somewhat in this form, it would be the case, since the second box shows the specific categories that are excluded from reference to registration for worker training and eliminates the ambiguity or the judgment factor with regard to this—

Mr. COLLIER. The judgment factor?

Mr. Rosow. Yes. There would still be some judgment, of course, in adjudicating when a person is incapacitated, for example, but within those limits of judgment, in the main, the referrals would be

much more categorical and much more clear than they are at the present time.

Mr. COLLIER. What would you do in the case where there is sheer arrogance on the part of the caseworker to comply with the intent and purpose of the law? I don't mind telling you that I can document situations where the particular caseworker told me and I quote, "I just don't intend to cooperate in any manner with this program, and I am not going to recommend that participation it because I don't believe in it."

Secretary FINCH. These would be Federal Government employees.

Mr. COLLIER. No; this statement came to me in a letter sent to me last fall. It does not do for us to legislate in this area and have the title accomplish the goals of this program if you are going to permit someone at a lower level to decide they are just not going to cooperate in even giving the program a chance to work. I think this is a good part of the problem, as the lack of participation in WIN has indicated.

Mr. VENEMAN. The key distinction between this program and the present WIN program is the fact that now the question as to whether or not it is appropriate to refer a person to the WIN program is left to the judgment of someone who is usually a caseworker.

In H.R. 14173, it is proposed that except for those six situations, everyone would be required to register. At that point it is out of the caseworker's hands. At that point it becomes a responsibility of the Department of Labor to see to it that that person goes into the appropriate kind of job training and/or employment opportunities that are available.

Mr. Rosow. If I can elaborate on one other point, I think Mr. Ball would agree with this. Since the Social Security Administration is proposed as the agency to make the adjudication of these facts, it would probably not be caseworkers but other types of employees in your administration. Isn't that so?

Mr. BALL. That is correct.

Mr. VENEMAN. It is a factual thing now rather than a judgment.

Mr. COLLIER. I think it can be shown this is a new concept in dealing with this concept, and I want to make it eminently clear that I in no way question the six exceptions and I am wholeheartedly for them. I am merely saying that unless you get a program where there is going to be cooperation, where there is going to be acceptance at least for the purpose of trying to make it work, then it becomes self-defeating if you are not going to get the people who administer it to give it a fair shake.

Secretary FINCH. The language in this bill is a good deal more crisp and more precise than the earlier legislation.

Mr. BURKE. I want to clarify the answer Mr. Myers gave with reference to the employee contribution. Will that 15-percent contribution require an increase in the tax base?

Mr. MYERS. It would not require an increase in the tax base.

Mr. BURKE. I am just asking about a straight 15-percent increase in social security.

Mr. COLLIER. It would.

Mr. BURKE. Let Mr. Myers answer.

Mr. MYERS. The present financing of the system could finance a

straight 15-percent increase in benefits if that were the only change made.

**Mr. VENEMAN.** I think we should also point out—

**Mr. BURKE.** I know the other ramifications. I am just interested in the straight 15-percent increase.

**Mr. VENEMAN.** I think the hospital rate would need to go up, so the total rate would be higher.

**Mr. BURKE.** I understand that part, but that is where my question was directed.

I might point out I asked if there were additional taxes proposed here. Under your proposal here on your chart it shows that you propose a reduction in the tax in the present law for 1971 to 1972 from 4.6 to 4.2. Is that correct?

**Mr. MYERS.** Yes.

**Mr. BURKE.** 1972 to 1973, 5.0 to 4.2. So I want to clarify the fact that there wouldn't be any additional tax above the tax that is now in law, and that is what I was asking before. I could not understand the answer that there would be a need unless you are going to take in all of these other programs here.

**Mr. BALL.** That is right, Mr. Burke. Under our proposal, in the cash-benefits side of the plan, the rates would be lower from now through 1986. Then the same ultimate rate of 5 percent from then on.

On the hospital insurance side, it is the same ultimate rate, but we put that rate in right away in 1971. The combined effect is to have a somewhat lower rate from now through 1976, and then the same rates as the present law from then on.

I would like to stress that I would make the same recommendations here if there were just a cash-benefit program. I just do not think it is desirable to build the fund as much as the present schedule does, aside from the issue related to hospital insurance. If there were just a hospital insurance program, I would make the same recommendation there. In order to put that program on a sound basis, I think you have to move up the rate.

**Mr. BURKE.** Mrs. Griffiths.

**Mrs. GRIFFITHS.** I would like you to look at those charts out there, Mr. Secretary.

In item No. 2 in the incentives under family assistance, you show if the father stays with the family, they get \$700 more, but you don't show that if the father leaves with his \$2,000, the family would still get \$2,500.

So, as a matter of fact, they would get \$4,525, would they not?

**Mr. PATRICELLI.** I think you are assuming the father can leave and the father surreptitiously can pool his funds.

**Mrs. GRIFFITHS.** I am not assuming that at all. If he leaves, he can draw his \$2,000 and they would still get \$2,500, so they get \$4,500 if the father is out of the home or \$3,260 if he is in the home.

**Mr. PATRICELLI.** You are assuming they are getting the benefit of the father's wage?

**Mrs. GRIFFITHS.** I am assuming he is working.

The next assumption is, how are you going to keep him to all outward appearances from leaving and still get the \$4,500? How are you going to stop it? What is different about it?

Mr. PATRICELLI. He has to be in the family in order to be counted for a benefit. He can't leave and then pool his funds right back into the family.

Mrs. GRIFFITHS. Why can't he? Who is going to be checking it?

Mr. VENEMAN. That same problem occurs now.

Mrs. GRIFFITHS. Of course, this is the same problem you have now, but you can't claim credit for this mythical thing that is going to happen when it is not happening now in many instances, is it?

Mr. VENEMAN. I think it is. A person who does that has violated the law.

Mrs. GRIFFITHS. They are doing it right now. This is one of the big problems in welfare.

Mr. PATRICELLI. This is not a reason not to take this step.

Mrs. GRIFFITHS. It may not be, but it is a reason why you can't claim a step forward there, which is not really a step forward. You are showing the family would get \$700 more with the father in the family. It is just so fair to point out they will get \$1,300 more with him, to all intents and purposes, absent.

Mr. VENEMAN. I don't think this is an assumption you can make. You are assuming that that father is going to leave, continue to earn his income and then give some of that income back to the family.

Mrs. GRIFFITHS. I am not only going to assume that, but I am going to assume in many instances he is going to do what he is doing today. He is going to be living surreptitiously with that family. And I will ask you now, how are you going to stop it? This is one of the big problems in welfare. This is one of the things I object to about the whole thing.

Are you going to have Mr. Ball checking up?

Mr. VENEMAN. I think from the philosophical standpoint there is more incentive for the father to stay there under the new system than the present system.

Mrs. GRIFFITHS. But they can still get \$4,500 if he is not there.

Mr. PATRICELLI. There will be sample checks, and there will be a check of the accuracy of reports, whether there is a family—

Mrs. GRIFFITHS. Are you going to have Mr. Ball checking up to see if he is physically present in the home, or are you just going to have him checking through social security numbers to determine whether the father has a job?

Mr. BALL. In the sort of situation that you are talking about, where this man had applied, we would in the first instance discover if he had not told us on application that he had this job and these earnings. He should have told us. When we get that information, we would go back to him and, in effect, say, "We now have this report on your earnings that you did not give us. We have made an overpayment." And we would reduce the family payment.

If at that point in your example—I suppose he would have to make the case that he did not live there, that it was a different kind of application and he was not really part of that family.

Is that the sort of thing you mean?

Mrs. GRIFFITHS. How are you going to find out if he is or is not?

Mr. BALL. In the first instance, in your illustration I thought he was applying as a member of the family. We would assume he was, and therefore, we would reduce the payment to the family when we

found in our records that he had a job. He would have to make an assertion and demonstrate he moved away and was not part of it.

Mrs. GRIFFITHS. You would have to make some checkups to determine he was really a part of the family, so we are right back to where we were.

Mr. BALL. I don't think in this case we would have to, but one could develop an illustration where we would be on notice that someone who was not supposedly part of the family group was actually supporting them. It was in cases particularly of that kind that I thought it might in many States be best to contract for that kind of individualized investigation with the welfare agency.

Mrs. GRIFFITHS. Through Pinkerton's?

Mr. BALL. The welfare agency is going to continue to be in a service relationship to many of these families and have other contacts with them.

Mrs. GRIFFITHS. Do you mean you are going to pay the State welfare agencies? Are you going to make a contract with them to handle the services?

Mr. BALL. They will be handling the services independently, but while doing that, I think, it might be most efficient to contract for certain parts of the investigative activities in the family assistance program.

Mrs. GRIFFITHS. Through the State agencies?

Mr. BALL. Yes.

Mrs. GRIFFITHS. You will pay them a sum of money to do this for you?

Mr. BALL. Yes; if that is agreeable to them.

Mrs. GRIFFITHS. Suppose someone shows up at the welfare department with a baby and says, "This is my baby"—or "my grandchild"—"I am responsible for it, and I don't have any money." What are you going to do to figure out who are the parents of the child and whether or not those parents make any money?

Mr. VENEMAN. I would assume you do the same thing you do now in order to establish parental responsibilities. After the investigation is made, if a determination is made that someone else is liable for some support of that child, it would be an action that would probably in most cases be filed with the district attorney's office in order to collect the child-support money from the individual who was responsible. There is nothing different about these kinds of situations.

There is also a provision in the measure, getting back to the father, or even the baby situation. If it is done for the purpose of fraud, there are penalties for fraud written into the bill. Just because somebody drives down the parkway at 90 miles an hour does not mean we change the speed limit. There will be people who violate regardless of what kind of statutes you have.

Mrs. GRIFFITHS. I agree with that. That is why I do not think this is a big, new, wonderful world you are opening up. It is the same old world, and you will have the same problems. And you really have not gotten a perfect new answer.

Mr. VENEMAN. I think we have reduced the problem. If we assume the mental process of this husband is such that he says, "I am going to get away and surreptitiously get that money back to my family,"

I think there is less incentive for him to do that under this program than there is under the present program.

Mrs. GRIFFITHS. I think possibly that is true, but I still think the problem is there. And for \$1,300 they might be willing to do quite a lot if you only had \$3,600 to start with.

Mr. VENEMAN. If we catch him, he is subject to fraud.

Mrs. GRIFFITHS. I have suggested in the quiet of this committee for a long time—and nobody else goes along with me—that every child should be given at birth a social security number and the social security numbers of the parent should be put on the birth certificate.

Now, since you are going to hand this all over to Mr. Ball, it would be very simple in the second case I gave if, when they appear with the child, you ask to see the social security number and run back through the social security numbers and find out what the parents are doing. I think it would be real easy. I think this would be one thing you could beat, and it would be quite helpful because it would end some of this fraud and you would end it quickly and easily.

I recommend it to you.

Mr. VENEMAN. I can't react one way or another. Knowing the problems we had with suggestions on gun registration, I am not so sure about a baby registration.

Mrs. GRIFFITHS. You are already locating the parents' bank account. The child has to be given a social security number if he has a bank account. You are quite willing to locate my bank account by a social security number. You are doing it now.

I don't know why daddy should be home free from locating him. This to me would be a real help. If you can locate my bank accounts and force me to pay taxes, why can't you force a parent to support a child? Is there something wrong with it?

Mr. VENEMAN. I don't think there is anything wrong with it, Mrs. Griffiths. But I do think presently one of the means of determining the presence of a responsible parent who has separated is through all means of identification, including the social security number.

Mrs. GRIFFITHS. But you only do that once every 2 years. I have had woman after woman who had a divorce and had a decree where the father was supposed to support the children. You try hunting up one of those fathers sometime.

Mr. BALL. I would contemplate all those eligible under the family assistance program—at least those of working age—would have a social security number. We would require that.

On the additional question of whether you would go to registration at birth with a social security number—there are a lot of pros and cons on that and it is not really essential for this plan.

I think there are good arguments for it separate from this plan, but also some concerns that many people have about whether with a universal identifier—we are in any danger of putting the Government in a position to follow people too closely throughout their lives in all respects and collect information on them. There is that kind of concern.

Mrs. GRIFFITHS. I know there is that argument, but that argument to me falls to the ground when you use it as a means of a father refusing to support a child. I see no reason for it.

Mr. BALL. The fathers in this plan would all be identified by social security numbers.

Mr. VENEMAN. I can see some difficulties, and I have not really thought this through, Mrs. Griffiths. But I can see some difficulty if that child eventually comes up for adoption. I am thinking of the future of the child, if it is suddenly subjected for adoption, so I have some serious reservations.

Mrs. GRIFFITHS. If you can change their names, they can change the social security number.

In February of this year Secretary Shultz awarded the sum of \$334,930 to a subsidiary of a national welfare-rights group. This money is supposed to be used to recommend ways in which welfare recipients can assume leadership roles in local WIN programs. What suggestions have they made?

Mr. Rosow. You are referring to the self-help program awarded to the National Rights Conference. The record should be corrected on that. It was not awarded by Secretary Shultz. It was awarded by Secretary Wirtz on Christmas Eve of the last calendar year.

However, there has been some good work done by this organization. I don't have all of the figures on how much they have drawn on that contract, but they have taken steps toward educating people in their organization to their rights and to their responsibilities under the welfare program.

Thus far, in monitoring the contract, the Department of Labor feels that there is some prospect here for some good work continuing to be done.

Mrs. GRIFFITHS. This press release—and I don't mean for this to be partisan when I said Secretary Shultz—shows it was done on February 19 and Secretary Shultz announced the award.

What you mean is that Wirtz set it up ahead of time.

Mr. Rosow. Yes. We merely carried out what had been set up previously.

Secretary FINCH. They are active. They served me with another complaint as I came into the hearing this morning.

Mrs. GRIFFITHS. Maybe you should make better friends in the Labor Department. Apparently, what they have done so far is sue you.

Secretary FINCH. Yes, Ma'am, that has been part of their activity.

Mrs. GRIFFITHS. I don't see what that has to do with the WIN program.

Secretary FINCH. I have not read the complaint yet, so I am not sure either.

Mrs. GRIFFITHS. What real help is that? Aren't they suing Secretary Finch for \$500 million to force him to put \$500 million more into these State programs? That is really it.

Mr. Rosow. I am not familiar with it.

Mrs. GRIFFITHS. Just as you came in the door this morning they handed out a pamphlet explaining to people what they were doing. I hope they are not using the \$430,000 that Secretary Shultz gave them to do this with.

Mr. VENEMAN. Secretary Finch hopes so, too.

Mrs. GRIFFITHS. I hope you are riding herd on the suggestions, that you come up here later and tell us what they have suggested, because I think some cheaper suggestions could have been purchased that might have helped a lot.

As a matter of fact, on the dropouts in the WIN program you showed 4,511. Who were the dropouts?

Mr. Rosow. I can't tell you who they were, but I can tell you the causes.

Mrs. GRIFFITHS. What were the causes?

Mr. Rosow. There were 4.9 percent of the people who dropped out without good cause—4,511 cases. Of that number, as I mentioned earlier, there were 169, or 0.2 percent, whose benefits were terminated. There were 16,000 who dropped out for other reasons, or 17.7 percent of the enrollment.

In reasons for leaving, we had such causes as, "refusal to continue," which was a small proportion, "illness," "pregnancy," "care for the family," "move to another area," "institutionalized"—

Mrs. GRIFFITHS. The ones I want to know are the 4,511. You are talking about other outputs, some 14,000.

Mr. Rosow. We have three subbreakdowns. Twelve percent refused to continue participation. Five percent could not be located. And 3 percent are listed as "administrative separations."

I think it would be well to bear in mind, Mrs. Griffiths, that even in our normal manpower training programs, we have a dropout problem by virtue of the nature of the disadvantaged person and his problems of making a readjustment into training and into the world of work. I don't think that the dropout rate in the WIN program is excessively high in relationship to the dropout rate we have had in other manpower programs dealing with the disadvantaged.

Mrs. GRIFFITHS. What is the average age of people in these programs?

Mr. Rosow. I will have to furnish that for the record.

(The information referred to follows:)

The median age of persons enrolled in WIN is 32 years of age..

Mrs. GRIFFITHS. Did you take only 200 benefits away out of the 4,511?

Mr. Rosow. 169, to be precise.

Mrs. GRIFFITHS. Why did you have the rest?

Mr. Rosow. I would assume from these data that the other dropouts were not for refusal to cooperate with the program but for other limitations, like inability to get there because of lack of transportation, health reasons, family responsibility, things which were acceptable to the local office.

Mrs. GRIFFITHS. That 4,511 were without cause, so it was not for those reasons that you did not take the benefits away. If you find out, would you mind putting it in the record?

Mr. Rosow. Those are the same numbers I said.

(The information referred to follows:)

We have no further information on why the 4,511 left the program. Since, so far, almost all of the slots were filled by volunteers, this figure reflects the decision of many who changed their minds, for a variety of reasons, and thus would not be subject to having their benefits terminated.

Mrs. GRIFFITHS. Do you intend this bill to assist young people in college who are married and have a child?

Secretary FINCH. Yes, it will help them.

I would like Mr. Patricelli to spell out for the record how it would be working.

Mrs. GRIFFITHS. With husbands with scholarships, one-half of any contributions would be from their families?

Secretary FINCH. That is correct.

Mrs. GRIFFITHS. More than one-half of their earnings?

Secretary FINCH. Yes.

Mrs. GRIFFITHS. How much will this bill do to subsidize marriage? And do you want to encourage marriages and births among college students?

Secretary FINCH. We have no policy in mind of encouraging either marriage or, as in the Canadian illustration you used this morning, sort of a bounty of \$10 per head. But I think if we look at some of the trends you were talking about this morning, those college students going into graduate work are less likely to have children than the younger ones or those who have moved a little further along in the economic status.

Mrs. GRIFFITHS. You don't want to drop it, though, to high school level?

Secretary FINCH. We are willing to talk to you about it.

Mrs. GRIFFITHS. I think you have already done it.

Do you intend this bill—because as it is now written, in my opinion, it would help two brothers with an apartment going to school. Do you intend it to do that or don't you?

Secretary FINCH. No.

Mrs. GRIFFITHS. Under the definition of the bill, I think it could be done.

Secretary FINCH. There has to be a child in this unit.

Mrs. GRIFFITHS. It does not say so; leaving out "family" and "child," "composition of the family," "two or more individuals who are related by blood, marriage, or adoption," two brothers qualify.

Mr. PATRICELLI. I think you are right, Mrs. Griffiths. That is one we overlooked. We are aware there were dozens of these cases, and we were thinking by "regulation" rather than trying to write it into the bill that we would have to bar a number of these.

Mrs. GRIFFITHS. Thank you very much.

There is one thing I think I can say for the bill. If it gives enough work to Mr. Ball, I think he is going to be forced to quit fighting my good, worthy amendments to social security and those we will add.

Mr. BALL. Mrs. Griffiths, you made a believer out of me long ago.

Mr. BURKE. Are there any further questions?

Mr. COLLIER. I have one question.

Just to clarify the record—and I think it has to be qualified, because I think there has been foreclosure in putting this down in response to the question of my good friend from Massachusetts—in order to provide the provision that will permit men to compute their income up to the age of 62, as women do—

Mrs. GRIFFITHS. I am absolutely for it. I have a bill in for it.

Mr. COLLIER. And in order to provide the retirement-income test on the new formula, this will make it impossible if we include these liberalizations, which I understand everybody is for—I have not heard anyone say they are opposed to them, and I doubt that they will—in order to include these, then I repeat there would not be sufficient money to maintain the trust fund on an actuarial sound basis if we went beyond the 10-percent benefit increase on a long-term basis. Is that correct?

MR. BALL. That is right, Mr. Collier. If you went to 15 percent in addition to these other things, you would have to find a new source of financing.

MR. COLLIER. Thank you, sir.

MR. BURKE. We could argue ad infinitum on this, but I will point out now I will ask unanimous consent at this point in the record that all members may submit any questions in writing to the Secretaries and to the Assistant Secretaries or any of their witnesses here, and we will leave the record open for the questions and for the answers.

The committee will adjourn until 10 a.m. tomorrow, Wednesday, October 22, when we will begin to receive testimony from the general public. The committee stands adjourned.

I wish to thank all of the witnesses.

(Whereupon, at 4:45 p.m., the committee adjourned, to reconvene at 10 a.m., on Wednesday, October 22, 1969.)

(The following materials were subsequently received by the committee:)

COMMITTEE ON WAYS AND MEANS,  
HOUSE OF REPRESENTATIVES,  
*Washington, D.C., September 22, 1969.*

HON. ROBERT H. FINCH,  
*Secretary of Health, Education, and Welfare,*  
*Washington, D.C.*

MY DEAR MR. SECRETARY: As you know, the Committee on Ways and Means expects to open public hearings on social security legislation during the latter part of October. I am sure that we will be most pleased to welcome you at that time on the occasion of your first appearance before the Committee.

In order to assist the Committee and the staff in preparing for those hearings, it would be most helpful to have certain background information supplied to the Committee prior to the commencement of the hearings. I have attached a list of such items of information prepared by the staff and would be most appreciative of receiving as soon as possible the best information the Department can supply concerning them. If for any good reason any of these materials cannot be prepared before we start the hearings, I would like to have their preparation carried on so that we may at least have them for use when the Committee is in executive session. If any questions should arise in connection with the preparation of these materials, they may be discussed with Mr. Kelley of the Committee staff.

Sincerely yours,

WILBUR D. MILLS, *Chairman.*

Enclosure :

**BACKGROUND MATERIALS REQUESTED OF THE DEPARTMENT OF HEALTH, EDUCATION,  
AND WELFARE BY THE COMMITTEE ON WAYS AND MEANS**

1. A detailed description of the proposed changes in the public assistance titles of the Social Security act compared in columnar form with existing law.

2. Completion of the state-by-state analysis of the 1967 study of the program of Aid to Families with Dependent Children.

3. A detailed comparison of the proportion of the children on the AFDC rolls who are there because of the desertion of the father in those states which had the unemployed fathers program in effect at the end of 1967 and those states which did not have that program in effect.

4. A detailed description of state activity under the 1967 amendments requiring them to establish programs to combat illegitimacy and to develop programs to get support for children who have been deserted.

5. A detailed summary and analysis of those aspects of the WIN program administered by the Department of Health, Education, and Welfare, which should include the following information both on a state-by-state and nationwide basis:

(a) Number of potential eligibles for the program broken down into the categories of mothers, unemployed fathers, youths over age 16 and other relatives (hereinafter called category of recipients).

(b) Number of assessments by welfare agencies for participation in the program. What specific reasons account for the marked variation between the states in the number of recipients assessed for the program?

(c) Number and percentage of persons assessed who are determined appropriate for referral, giving category of recipients. Include a breakdown of the reason for nonreferral both by total and by category of recipients. Include any analysis which has been made of this information.

(d) Number and percentage of persons determined appropriate who are actually referred to the WIN program, by category of recipient. What are the reasons for the rather large number of persons determined appropriate who are never referred? Give a breakdown by category of recipient of the persons referred back to the welfare agency by the manpower agency with reasons for referral back.

(e) List state-by-state the amount of funds expended and the number of people in education and vocational training under the social services provisions of the public assistance titles.

(f) Please explain why New York and California with relatively similar welfare populations have such widely different program statistics; that is, assessments as to determination of appropriateness, referrals and WIN enrollments.

6. A detailed summary and analysis of activities to furnish day care to AFDC families, including:

(a) A description, by state, of the amount of day care which has been provided under the WIN program. Give average cost of figures.

(b) A study of the nature of the day care which has been provided under WIN—whether in family homes, day care centers, baby sitters, etc.

(c) A description, by state, of the amount of day care provided under the social services matching provisions of Title IV.

(d) An explanation of the reasons why day care resources and services have not expanded more rapidly.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,  
Washington, D.C., December 16, 1969.

Hon. WILBUR D. MILLS,  
*Chairman, Committee on Ways and Means*  
*U.S. House of Representatives*  
*Washington, D.C.*

DEAR MR. CHAIRMAN: I have had various materials prepared in response to the questions in your letter of September 22, 1969. I am enclosing them with this letter and hope that they will be useful to the Committee and its staff.

If I can be of further assistance, please feel free to call upon me.

Sincerely,

ROBERT H. FINCH, Secretary.

**BACKGROUND MATERIALS REQUESTED OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE BY THE COMMITTEE ON WAYS AND MEANS**

**REQUEST 1**

*A detailed description of the proposed changes in the public assistance titles of the Social Security Act compared in columnar form with existing law.*

**RESPONSE 1**

**Column of Comparison.**

**INTRODUCTION**

The Family Assistance Act, HR 14173 would amend the Social Security Act in several important and different ways.

1. In Part D, it would establish a new program under which the Federal Government would make direct payments to low-income families with children, the amount of payment depending on family size and income.

2. In Part E, it would require the States to supplement, using July 1, 1969 need standards, the Federal payments for those families who are now categorically eligible for assistance under Title IV including families with unemployed

fathers. Current provisions for the Federal sharing of costs of AFDC payments would be eliminated.

3. It would establish procedures for the referral, job training and placement of certain categories of recipients of Federal and/or State payments. These procedures differ from those now established under Title IV for recipients of Aid to Families with Dependent Children.

4. It would combine Titles I, X, and XIV into a single Title XVI, for assistance programs for the aged, blind, and disabled. A new Federal matching formula for these programs would be established as well as a Federal minimum income standard of \$90 per recipient.

5. It would require the States in the operation of both their supplemental programs for dependent families and their adult category programs, to adhere to certain standards set forth for the Family Assistance Plan in Part D. These standards may differ from present State priorities.

6. By establishing a special reimbursement feature, Section 453 would assure the States that the combined cost of their supplemental and adult category programs would not exceed 90% of what their costs in the federally assisted Public Assistance programs would have been had the Family Assistance Act not been enacted and the July 1, 1969 need standards remained in effect. Similarly, it would require States to spend at least 50% of what these costs would have been.

7. It will permit the Secretary to contract with the States either to perform certain State operations in the supplemental programs required by Part E and the adult category program, or to have the States perform certain of the functions necessary for the administration of the Federal payments to families with children established by Part D.

From the standpoint of groups of recipients, the practical effect of Parts D and E would be to establish:

(1) A set of families eligible for Federal payments but not State payments. These are families that are not now eligible for any Federally assisted public assistance program.

(2) A set of families eligible for Federal payments and State supplemental payments but who will not receive such payments because of the low levels of certain existing State need standards.

(3) A set of families eligible for both Federal payments and State supplemental payments.

(4) A relatively small set of families who, because they live in States with fairly high need standards, will be eligible for State supplemental payments but not Federal payments.

In general, the basic rules for the determination of eligibility for and amount of benefits will be identical for all these groups. However, the amount of State supplemental payments for otherwise similar families will depend on the need standards in the individual States. Further, the applicable rules for determination of the Federal payment, result in a different benefit reduction formula. Essentially, families receiving only the Federal payments will have their benefits reduced 50¢ for each dollar of income beyond \$720 a year. Families receiving both supplemental and Federal payments will receive higher total benefits but these will be reduced by 67¢ for each dollar of income beyond \$720 a year.

The attached tabular comparisons of the existing Public Assistance titles in the Social Security Act to the proposed legislation in the Family Assistance Act seeks to highlight the important areas of similarity and dissimilarity. Because of the several substantial departures from the current laws, a sequential section-by-section comparison is not possible.

## COMPARISON OF H.R. 14173 WITH EXISTING PUBLIC ASSISTANCE TITLES OF THE SOCIAL SECURITY ACT

TABLE I.—PT. A, TITLE IV OF SOCIAL SECURITY ACT VERSUS PTS. D AND E, TITLE I, H.R. 14173

Item	Existing law	H.R. 14173
ELIGIBLE PERSONS		
Federal payments would go to families headed by an able-bodied, employed male as well as families who are eligible under current law. States would be required to supplement only for families eligible under current law, including those headed by an unemployed father.	Benefits are paid by the State to a needy child and relatives with whom he is residing when the child has been deprived of parental support or care by reason of death, continued absence from the home, or physical or mental incapacity of a parent (Secs. 401, 402, and 406).	The Secretary of HEW would pay benefits to low-income families with children, the amount of the payment depending on family size and income (secs. 442 and 443, pt. D).
AMOUNT OF BENEFITS	In an optional program, benefits may also be paid if the child has been deprived of support by reason of the unemployment of his father under certain conditions (Sec. 407).	The States would make supplemental payments to families other than those in which both parents are present, neither parent is incapacitated, and the male parent is not unemployed (sec. 451, pt. E).
Level of Benefits	There is no provision regarding the amount of benefits paid to needy families. There are provisions regarding the counting of income when determining benefits to families who have income; see below.	Federal benefits would be payable at the rate of \$500 per year for each of the first 2 members plus \$300 for each additional member (sec. 442). Actual benefits paid to any family would depend upon their other income, see below.
Procedures for counting income		
Benefit levels are established for the Federal program. States would use July 1, 1969 need standards for determining benefits in their supplemental programs.	In counting income for the determination of actual State payments, the States must disregard. (Note exceptions to items 1 and 2, discussed below.) (Sec. 402):	State supplemental benefits would be determined according to July 1, 1969 need standards (sec. 442, pt. E). Actual benefits paid would depend upon the family's other income.
	1. Earned income of a student;	In counting income for the determination of actual Federal benefit payments, the following would be excluded (subject, in some cases, to limitations of the Secretary) (sec. 443):
	2. (a) Earned income at the rate of \$30 plus $\frac{1}{3}$ of the remainder of any member included in the household for determination of need;	1. Earned income of a student;
	(b) Expenses reasonably attributable to earning income;	2. (a) Earned income of the family at the rate of \$720 per year plus $\frac{1}{3}$ of the remainder;
		(b) Earned income equal to the cost of child care when those costs are necessary to the securing of training and employment;
		3. Food stamps, and other public assistance or private charity;
		4. Special training incentives and allowances;
		5. The tuition and fees portion of scholarships and fellowships;
		6. Home produced and consumed produce;
		7. $\frac{1}{2}$ of other unearned income;
		8. Inconsequential or infrequent or irregular income.

(There is no mention in title IV of items 3 through 8 but see sec. 434 for incentive payments. State practice is not entirely uniform but all States ignore food stamps and count unearned income.)

## COMPARISON OF H.R. 14173 WITH EXISTING PUBLIC ASSISTANCE TITLES OF THE SOCIAL SECURITY ACT—Continued

TABLE 1.—PT. A, TITLE IV OF SOCIAL SECURITY ACT VERSUS PTS. D AND E, TITLE I, H.R. 14173—Continued

Item	H.R. 14173	Existing law
ASSETS LIMITS		
In contrast to existing law, limitations on the assets eligible families may hold are spelled out.	"The State agency shall, in determining need, take in consideration * * * resources * * *" (sec. 402(a)). (State practices vary with respect to the amount of assets a family may hold and still be eligible for benefits.)	(There is no mention in pts. D or E of items 9 and 10.)
Period for determination of benefits-----	No mention is made in title V-----	In determining supplemental payments, States would use the same rules as above, except that they would disregard (sec. 452):
Requirement for State to have supplemental program-----	There is no provision in any of the public assistance titles that States must agree to participate in any one of the public assistance programs in order to participate in any or all of the others.	1. Earned income at the rate of \$720 per year plus $\frac{1}{2}$ of the remainder that does not exceed twice what the family would receive under pt. D if it had no income, and 2. $\frac{1}{6}$ of the balance (or more if the Secretary so prescribes). State maximums and percentage reduction formulas in effect July 1, 1969, would continue to apply. Computed supplemental payments would be reduced by the amount of the family assistance benefit.
		The Secretary would prescribe regulations under which families could be eligible for benefits while disposing of assets (sec. 444). Assets limits established by secs. 442 and 444 would apply to the State supplemental programs (sec. 452).
		Eligibility for and amount of benefits would be determined quarterly on the basis of estimates of income for the quarter, made in the light of the preceding period's income as modified in the light of changes in circumstances and conditions (sec. 442(d)). Identical requirements would apply to State supplemental programs (sec. 452).
		In order to be eligible for payments under titles V, XVI, or XIX or pts. A and B the individual States would have to agree to supplement the family assistance benefits. This supplement is a condition which the State must meet in order to continue to receive Federal payments with respect to maternal and child health and crippled children's services (title V) and with respect to their State plans for aid to the aged, blind, and disabled (title XVI), medical assistance (title XIX), and services to needy families with children (pt. A of title IV). Such "supplementation" would be required to families eligible for family assistance benefits other than families where both parents are present, neither is incapacitated, or the father is not unemployed (sec. 451).

**Miscellaneous requirements State plans must meet . . . . . A State plan for AFDC must provide that is shall (sec. 402):**

1. Be in effect in all political subdivisions of the State, and if administered by the be mandatory upon them.
2. Either provide for the establishment or designation of a single State agency to administer or supervise the administration of the plan.
3. Provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for aid to families with dependent children is denied or is not acted upon with reasonable promptness.
4. Provide (A) such methods of administration (including after Jan. 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis except that the Secretary shall exercise no authority with respect to the selection, tenor of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient administration of the plan, and (B) for the training and use of paid subprofessional staff, with particular emphasis on the full-time or part-time employment of recipients and other persons of low income, as community service aides, in the administration of the plan and for the use of nonpaid or partially paid volunteers in a social service program in providing services to applicants and recipients and in assisting any advisory committee established by the State agency.
5. Provide that the State agency will make such reports, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports.
6. Provide safeguards which restrict the use or disclosure of information concerning applicants or recipients.
7. Provide that all individuals wishing to make application for AFDC shall have the opportunity to do so and that AFDC shall be furnished with reasonable promptness to all eligible individuals.

Other significant requirements for the State AFDC plan are listed throughout the table.

**PENALTIES FOR FAILURE TO COMPLY WITH AGREEMENT**

Secretary would be permitted to withdraw part of the Federal funds rather than all as required by present law.

Some of the State plan requirements now applicable to AFDC would be made applicable to the supplemental program. These include the requirements relating to:

1. Statewideness.
2. Administration by a single State agency.
3. Fair hearing.
4. Methods of administration, including personnel standards training, and effective use of subprofessional staff.
5. Reporting to the Secretary.
6. Confidentiality.
7. Opportunity to apply for and prompt furnishing of supplementary payments.

If the State fails to comply with its agreement regarding supplemental payments (as determined by the Secretary after an opportunity for a hearing) the Secretary shall withhold all, or such portion as he deems appropriate, of the payments to which the State is otherwise entitled under pts. A or B of title I of the Family Assistance Act or under titles V, XVI, or XIX; but the amounts so withheld shall be deemed to have been paid to the State under such title (sec. 454).

COMPARISON OF H.R. 14173 WITH EXISTING PUBLIC ASSISTANCE TITLES OF THE SOCIAL SECURITY ACT—Continued  
 TABLE 1.—PT. A, TITLE IV OF SOCIAL SECURITY ACT VERSUS PTS. D AND E, TITLE I, H.R. 14173—Continued

Item	Existing law	H.R. 14173
Payments to States	<p>The Federal matching share is \$15 out of the 1st \$18 (5/6 of the 1st \$18), with variable matching on the amount above \$18 up to a maximum of \$32 per month per recipient. States title XIX plans may elect to claim participation under the formula in that title. Under that formula, there is no maximum beyond which the Federal Government does not participate.</p> <p>There is no provision in existing public assistance titles requiring fiscal effort or assuring States of some cost saving.</p>	<p>The Federal matching share is \$15 out of the 1st \$18 (5/6 of the 1st \$18), with variable matching on the amount above \$18 up to a maximum of \$32 per month per recipient. States title XIX plans may elect to claim participation under the formula in that title. Under that formula, there is no maximum beyond which the Federal Government does not participate.</p> <p>A State agreeing to make the supplementary payments would be guaranteed that its required expenditures for the 1st 5 full fiscal years after enactment would be no more than 90 percent of the amount they would have been if the family assistance plan amendments had not been enacted. This would be accomplished by Federal payment to each State for each year, of the excess of—</p> <ol style="list-style-type: none"> <li>1. The total of its supplementary payments for the year plus the State share of its expenditures called for under its existing State plan approved under title XVI and the additional expenditures required by the new title XVI, over</li> <li>2. 90 percent of the State share of what its expenditure would have been in the form of maintenance payments for such year if the State's approved plan under titles I, IV(A), X, XIV, and XVI, and continued in effect assuming in the case of pt. A of title IV plan, payments for dependent children of unemployed fathers, minus amounts which would have been determined under secs. 3, 403, 1003, 1403, and 1603 under sec. 1118.</li> </ol> <p>On the other hand, any State spending less than 50 percent of the State share, referred to in (2) above, for supplemental payments and its title XV plan would be required to pay the amount of the deficiency to the Federal Treasury. A State would also receive <math>\frac{1}{2}</math> of its costs of administration under its agreement.</p> <p>The Secretary would make an annual report to Congress on the new family assistance plan, including an evaluation of its operation. He would also have authority to make periodic evaluations of its operations and to use part of the program funds for this purpose (sec. 463(a)).</p> <p>Research into and demonstrations of better ways of carrying out the purposes of the new plan, as well as technical assistance to the States and training of their personnel who are involved in making supplementary payments, would also be authorized (sec. 463 (b) and (d)).</p>
Research and demonstrations		<p>The Secretary of Health, Education, and Welfare, on the basis of a review of the reports from the States, shall report his findings on the effectiveness of programs of services developed by the States under A1(b). The Secretary shall annually report to the Congress (beginning July 1, 1970) on the programs developed by each state. Certain provisions of title XI provide for research, demonstrations, and experiments.</p>

## TRAINING AND EMPLOYMENT PROGRAMS

**Registration for work and referral for training** ----- Unemployed fathers must be registered with the State unemployment office and be willing to accept suitable employment (sec. 407).

Certain other members of AFDC families may be required to participate in a work incentive program (sec. 402(c)). Excluded are: A person with illness, incapacity, or advanced age; so remote from any of the projects under the work incentive programs established by pt. C that he cannot effectively participate under any of such programs; a child attending school full time; a person whose presence in the home on a continuous basis is required because of the illness or incapacity of another member of the household.

Provision is made for child care. -----

**Denial of benefits in case of refusal of manpower services, training, or employment.** ----- No identical provision for transfer but see discussion of special work projects and the WIN program generally, table.

**Transfer of funds for on-the-job training programs** ----- No identical provision for transfer but see discussion of special work

Eligible adult family members would be required to register with public employment offices for manpower services and training or employment unless they belong to specified excepted groups. However, a person in an excepted group may register if he wished (sec. 447(a)). The exceptions are: (1) ill, incapacitated, or aged persons; (2) the caretaker relative (usually the mother) of a child under 6; (3) the mother or other female caretaker of the child if an adult male (usually the father) who would have to register is there; (4) the caretaker for an ill household member; (5) full-time workers; and (6) a child (sec. 447(b)).

Where the individual is disabled, referral for rehabilitation services would be made. Provision is also made for child care services to the extent the Secretary finds necessary in case of participation in manpower services, training, or employment (sec. 447(d)). Family assistance benefits would be denied with respect to any member of a family who refuses without good cause to register or to participate in suitable manpower services, training, or employment. If the member is the only adult, he would be included as a family member but only for purposes of determining eligibility of the family. Also, in appropriate cases, the remaining portion of the family assistance benefit would be paid to an interested person outside the family (sec. 448).

The Secretary would transfer to the Department of Labor funds which would otherwise be paid as family assistance benefits to families participating in employer-compensated on-the-job training if they were not participating. These funds would be available to pay the training costs involved (sec. 449).

Sufficient latitude is provided to deal with the individual administrative characteristics of the States. Provision is made under which the Secretary can agree to administer and disburse the supplementary payments on behalf of the States. Similarly the States can agree to administer portions of the family assistance plan on behalf of the Secretary, with respect to all or specified families in the States (sec. 461).

## SPECIAL PROVISIONS IN H.R. 14173 FOR WHICH THERE IS NO COUNTERPART IN EXISTING LAW

Agreement with States regarding administration of Federal or supplemental programs.

COMPARISON OF H.R. 14173 WITH EXISTING PUBLIC ASSISTANCE TITLES OF THE SOCIAL SECURITY ACT—Continued  
 TABLE I—PT. A, TITLE IV OF SOCIAL SECURITY ACT VERSUS PTS. D AND E, TITLE I, H.R. 14173—Continued

Item	Existing law	H.R. 14173
<b>Payment procedures</b>		
	<ul style="list-style-type: none"> <li>- Payment may be made to any 1 or more members of the qualified family. The Secretary would prescribe regulations regarding the filing of applications and supplying of data to determine eligibility of a family and the ranges of incomes within which benefits apply. Beneficiaries would be required to report events or changes of circumstances affecting eligibility or the amount of benefits. When reports by beneficiaries are delayed too long or are too inaccurate, part or all of the resulting benefit payments could be treated as recoverable overpayments. Overpayments, and underpayments are corrected by adjustment in future payments to family or by recovery from or payments to 1 or more individuals who were members of family (sec. 446).</li> </ul>	<ul style="list-style-type: none"> <li>To qualify for family assistance plan benefits a family must consist of 2 or more related individuals living in their own home and residing in the United States and 1 must be a child (i.e., under the age of 18, or under the age of 21 and regularly attending school) (Sec. 445 (a) and (b)). Members of the Armed Forces and their spouses and children if living with him in his residence are not considered members of a family (sec. 445(c)). Income and resources of noncontributing adult—adult not considered a member of family, and his income and resources are not considered in determining eligibility and amount of benefits (sec. 445(e)). A recipient of OAA or AB and disabled receiving assistance under title XVI is not considered member of family for purposes of determining amount of family assistance (sec. 445(f)). Determination of family relationships would be made in accordance with State law and under regulations of the Secretary (sec. 445(d)). All above requirements would apply to State supplemental programs (sec. 452).</li> </ul>

TABLE 2.—TITLES I, X, XIV, AND XVI OF THE SOCIAL SECURITY ACT VERSUS TITLE II, H.R. 14173

Item	Existing law	H.R. 14173
<b>ELIGIBLE PERSONS</b>	Eligible persons are those aged 65 and over (title I), the blind (title X), and the permanently and totally disabled (title XIV). Title XIV encompasses all 3 categories and States at their own option, may elect to participate in it rather than separately in the other 3.	Eligible persons would be those aged 65 or over, the blind, and the disabled—all under title XVI, sec. 1601. Titles I, X, and XIV would be repealed.
<b>AMOUNT OF BENEFITS</b>	Title I, and title XVI include provisions that the State plan include "reasonable standards" * * * for determining * * * the extent of such assistance" (secs. 2(a)(10)(Q) and 1602(a)(13)).	The States would be required to assure recipients of a minimum monthly income of \$80 (benefit payment plus other income). States with need standards that at the time of enactment exceed this requirement would not be permitted to lower them (sec. 1603(b)).
<b>Procedures for Determining Need</b>	Each title specifies certain optional and mandatory provisions regarding the disregard of income in making determination of need (secs. 2, 1002, 1402, 1602).	Title XVI contains the same income disregards as shown under existing law (item No. 4 was inadvertently omitted). In addition there are requirements that (sec. 1613): <ol style="list-style-type: none"> <li>1. There be no requirement considering the financial responsibility of any other individual for the applicant or recipient unless the applicant is the individual's spouse or child under the age of 21 or blind or severely disabled.</li> <li>2. There be no imposition of liens on account of benefits correctly paid to recipients.</li> </ol>
<b>Benefit Levels</b>	The same optional and mandatory provisions regarding the counting of income are included in the new title XVI but are contained in a new section, "Determination of Need." Additional requirements are imposed.	<p>1. For the blind, the States must disregard the first \$85 of monthly earned income plus <math>\frac{1}{2}</math> of the excess. They must for 12 months, and may for 36, disregard additional amounts if these amounts are related to an individual's plan for achieving self-support. For the permanently and totally disabled, the States may disregard the first \$20 of monthly earned income and <math>\frac{1}{2}</math> of the excess that does not exceed \$60. They may disregard additional amounts for up to 36 months if these are related to an individual's plan for self-support.</p> <p>2. For the aged, the States may disregard the first \$20 of monthly earned income and <math>\frac{1}{2}</math> of the excess that does not exceed \$60.</p> <p>3. For all categories, the States may disregard not more than \$7.50 of other income.</p> <p>4. The States apply the same assets requirements as provided in sec. 412 (see table 1).</p> <p>5. The States furnish assistance to individuals considered members of families receiving family assistance benefits under pt. D.</p>

TABLE 2.—TITLES I, X, XIV, AND XVI OF THE SOCIAL SECURITY ACT VERSUS TITLE II, H.R. 14173—Continued

Item	Existing law	H.R. 14173
<b>STATE PLAN REQUIREMENTS</b>		
Administrative Features		
Basic plan requirements are maintained and some additions made.	Each title requires the State plan to have certain conditions, including (secs. 2, 1002, 1402, 1602): 1. Administration by a single State agency (except where a separate agency is permitted for the blind as under existing law); 2. financial participation by the State;; 3. statewideess;; 4. opportunity for fair hearing;; 5. methods of administration, including personnel standards, training, and effective use of subprofessional staff;, 6. reporting to the Secretary as required;, 7. confidentiality of information relating to recipients;, 9. establishment and maintenance by the State of standards for institutions in which there are individuals receiving aid; 10. description of services provided for self-support or self-care; and 11. determination of blindness by an ophthalmologist or an optometrist.	Title XVI would require the States to meet conditions 1 through 11 as shown for existing law. In addition, there are requirements for (sec. 1602): 1. the training and effective use of social service personnel, provision of technical assistance to State agencies and local subdivisions furnishing assistance or services, and provision for the development, through research or demonstrations, of new or improved methods of furnishing assistance or services; 2. use of a simplified statement for establishing eligibility and for adequate and effective methods of verification thereof; 3. periodic evaluation of the State plan at least annually, with reports thereof being submitted to the Secretary together with any necessary modifications of the State plan; 4. establishment of advisory committees, including recipients as members; and for observing priorities and performance standards set by the Secretary in the administration of the State plan and in providing services thereunder. Further, the present prohibitions against any age requirement of more than 65 years and against any citizenship requirement excluding U.S. citizens would be continued. In place of the present provision on residence, there is a new one which prohibits any residency requirement excluding any resident of the State. Also there would be new prohibitions against any disability or age requirement which excludes a severely disabled individual aged 18 or older, and any blindness or age requirement which excludes any person who is blind (determined under criteria by the Secretary).  <b>PAYMENTS TO STATES</b>
Cash Assistance		On an average payment basis, the Federal Government pays up to \$31 of the first \$33, and a variable proportion of the excess over \$37 that does not exceed \$75. States may elect the title XIV matching formula which varies between 50 and 83 percent and has no upper limit beyond which the Federal Government does not participate (secs. 3, 1003, 1403, 1603).
A new Federal matching formula is established.....		On an average payment basis, the Federal Government will pay (1) 100 percent of the first \$50 per recipient, plus (2) 50 percent of the next \$15 per recipient, plus (3) 25 percent of the balance of the payment per recipient which does not exceed the maximum permissible level of assistance per person set by the Secretary. There is no provision for the use of the title XIV matching formula (sec. 1604). Note: see table I for provision guaranteeing the States some savings in their combined public assistance programs.

**Services and administration**—  
The same financing arrangements are included in the proposed legislation (sec. 1608).

There is Federal matching at 75 percent for the provision of prescribed services to attain or retain capacity for self-care or self-support or services likely to prevent or reduce dependence, as well as for services provided to prevent individuals from becoming applicants or recipients of assistance; and the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan. There is Federal matching at 50 percent for the expenses of administration.

#### PENALTIES FOR FAILURE OF STATE TO COMPLY WITH AGREEMENT

The Secretary is empowered to withhold part of the funds rather than all.

Special provisions in H.R. 14173 for which there is no counterpart in existing law,

Under all public assistance titles, the Secretary shall give reasonable notice and opportunity for a hearing to a State prior to discontinuance of payments.

If a State fails to comply substantially with any provisions set forth in the plan requirements in secs. 1602 and 1603, and after reasonable notice and opportunity for hearing to the State agency, all or such portions of payments to the State as the Secretary deems appropriate could be withheld until the Secretary is satisfied that there will no longer be any such failure to comply (sec. 1607).

Titles I, X, and XIV of the Social Security Act are repealed (sec. 1602). Provision is made for making adjustments under the new title XVI on account of overpayments and underpayments to the States under the existing public assistance titles (sec. 203).

There is provision for according States a grace period during which they can be eligible to participate in the new title XVI without changing their tests of disability or blindness. The grace period would end for any State with July 1 following the close of the first regular session of its State legislature beginning after the enactment of the bill (sec. 204).

There is authority for the Secretary to enter into agreements with any State under which the Secretary will make the payments of aid to the aged, blind, and disabled directly to individuals in the State who are eligible therefor. In that case, the State would reimburse the Federal Government for the State's share of those payments and for  $\frac{1}{2}$  the additional cost to the Secretary of carrying out the agreement, other than the cost of making the payments themselves (sec. 1605).

There is provision for adjustments of overpayments and underpayments where the Secretary makes direct payment to individuals as provided in sec. 1605 above. In the case of overpayments, the Secretary will avoid penalizing people without fault if adjustment or recovery would defeat program purposes, or be against equity and good conscience, or might impede effective administration where small amounts are involved (sec. 1606).

There is provision that the determination of whether a person is blind or severely disabled will be made according to criteria prescribed by the Secretary (sec. 1610).

**COMPARISON OF THE PRESENT WORK INCENTIVE PROGRAM WITH THE PROPOSED MANPOWER SERVICES, TRAINING AND EMPLOYMENT PROGRAM**

**Present**

- I. Purpose is to require the establishment of programs utilizing all available manpower services under which individuals receiving AFDC will be furnished incentives, opportunities and necessary services needed for their employment, training or placement in special work projects.
- II. Appropriate individuals 16 years of age and older who are receiving AFDC and those whose needs are taken into account are required to be referred to the Secretary of Labor. The statute sets up four exceptions to the mandatory referral requirement:
  - (1) A person with an illness, incapacity, or advanced age;
  - (2) A person so remote from any project under the work incentive program that he cannot effectively participate in any of the programs;
  - (3) A child attending school full time;
  - (4) A person whose presence in the home on a substantially continuous basis is required because of the illness or incapacity of another member of the household.
- Volunteers are permitted.

- III. Referral is made to the Secretary of Labor by the State welfare agency.
- IV. An employability plan is required to be developed by the Secretary of Labor for each suitable person referred to him.
- V. The statute establishes 3 categories of programs into which referred individuals must be placed.

- VI. The Secretary, in establishing work incentive programs, may utilize all available manpower services, including those authorized under other provisions of law.
- VII. A \$30 incentive payment is authorized for participants in institutional and work experience training programs. In on-the-job training projects, an incentive is provided through an income disregard provision which allows the first \$30 of the total earned income in any month plus one-third of the remainder to be disregarded in determining the amount of the welfare grant. For those participants in special work projects, an incentive is provided by a statutory guarantee that the individual's earnings will be equal to the amount of aid he would have received had he not participated in the project, plus 20% of his earnings from the project.

**Proposed**

- I. Purpose is the same except that it has been expanded to include upgrading of employed individuals.
- II. Every member of a family eligible for family assistance benefits is required to register with the local public employment office and participate in the manpower services, training, and employment program. The statute sets up 6 exceptions to the mandatory registration requirement:
  - (1) Same;
  - (2) A mother or other relative of a child under the age of 6 who is caring for such child; relative is in the home and not excluded under (1), (2), (4) or (5);
  - (3) The mother, or other female caretaker of a child if the father or another adult male student regularly attending school, college, or university, or a course of vocational or technical training designed to prepare him for gainful employment;
  - (4) A child (an individual who is (a) under the age of 18 (or (b) under the age of 21 and a student regularly attending school, college, or university, or a course of vocational or technical training designed to prepare him for gainful employment);
  - (5) One whose presence in the home on a substantially continuous basis is required because of the illness or incapacity of another member of the household;
  - (6) A person who is working full time, as determined in accordance with criteria prescribed by the Secretary of Labor.
- Volunteers are permitted.
- III. HEW enforces the requirement that recipients register with the local public employment office.
- IV. Same, except that the Secretary of Labor may prescribe priorities for the development of the employability plan.
- V. The statute does not set up any program categories but rather requires the Secretary to establish and assure the provision of manpower services, training and employment programs for persons referred to him.
- VI. The training authority is the same in substance but the proposed bill treats this subject in greater detail.
- VII. For those individuals participating in manpower training, other than employer compensated on-the-job training, an incentive of either \$30 or the excess of a authorized training allowance under another statute over the family assistance benefits is provided. The incentive for those individuals participating in employer compensated on-the-job training is derived from the income disregarded provisions which excludes the first \$720 per year of earned income plus one-half of the remainder.

**VIII. Work requirement**

- (1) If an individual challenges the welfare agency's determination of his appropriateness for referral, he may obtain a fair hearing from the welfare agency. If, after the fair hearing, he is determined to be appropriate for referral and he refuses to be referred, the welfare agency denies him benefits.
- (2) If an unemployed father refuses a bona fide offer of employment the welfare agency denies him benefits.
- (3) If any individual including an unemployed father who has been referred to the Secretary of Labor refuses to participate in the Work Incentive Program or refuses to accept employment and the Secretary of Labor determines after an opportunity for a fair hearing that the refusal was without good cause, the Secretary of Labor notifies the welfare agency which then denies benefits. An individual may be referred to any type of work which accords with his employability plan.

X. Child care services are provided by the state welfare agencies.

X. The Federal share of program costs may not exceed 80 percent. Appropriations for the program are made to HEW and transferred to DOL.

XI. Welfare payments which would otherwise be made to individuals participating in special work projects are paid by the welfare agency to the Secretary of Labor who in turn uses these funds to make wage payments to the special work project participants.

XII. The statute contains detailed provisions for the operation of special work projects and safety and health standards are provided for all work incentive programs.

XIII. No comparable provisions.

**VIII. Work requirement**

- (1) If a member of a family eligible for family assistance benefits refuses to register with the local public employment office, and the Secretary of HEW finds that there is not good cause for the refusal, the individual may not be regarded as a member of the family and no part of the family assistance benefits may be paid to him.
- (2) If an individual refuses to participate in suitable manpower services, training, or employment or refuses to accept suitable employment and the Secretary of Labor finds after reasonable notice and opportunity for hearing that the refusal was without good cause, the individual may not be regarded as a member of a family and no part of the Family Assistance Benefits may be paid to him. Final determinations of the Secretary of Labor on the matter of good cause are subject to judicial review. An individual is referred only to types of work which the Secretary of Labor determines are suitable.

XIV. The Secretary of HEW makes provision for child care services either through grants or contracts and a separate appropriation is provided for child care and supportive services.

XV. The Federal share of the program may be up to 90 percent or more if the Secretary of Labor so determines. The proposed statute provides for an equitable apportionment of funds among the States. The appropriation for the manpower services, training and employment program is made directly to the Department of Labor and the appropriation may be made in the previous fiscal year.

XVI. Amounts which would have been paid as family assistance benefits to individuals participating in public or private employer compensated on-the-job training are transferred by the Secretary of HEW to the Secretary of Labor and are available to pay the costs of the on-the-job training programs.

XVII. No comparable provisions.

XVIII. New authority is provided for demonstration projects to improve the effectiveness of manpower training and employment programs and to improve training techniques for upgrading the skills of the working poor.

## REQUEST 2

*Completion of the state-by-state analysis of the 1967 study of the program of Aid to Families with Dependent Children*

## RESPONSE 2

Attached is a set of all of the data currently available from the 1967 study, including 23 tables giving data for each of the States.

## TABLES

## DATA BY STATE AND CENSUS DIVISION

1. AFDC families, by number of adult recipients.
2. AFDC families with no adult recipient, by number of recipient children.
3. AFDC families with 1 adult recipient, by number of recipient children.
4. AFDC families with 2 adult recipients, by number of recipient children.
5. AFDC families, by age groups of children.
6. AFDC families and recipient children, by race.
7. AFDC families, by type of place of residence.
8. AFDC recipient children, by type of place of residence.
9. AFDC families, by tenure of home.
10. AFDC families, by length of time since most recent opening.
11. AFDC families, by length of time AFDC received prior to the most recent opening.
12. AFDC families, by status of father with respect to the family (new definition).
13. AFDC families, by status of father with respect to the family (old definition).
14. AFDC recipient children, by status of father with respect to the family (new definition).
15. Incapacitated AFDC fathers, by highest grade of school completed.
16. Incapacitated AFDC fathers, by usual occupational class.
17. Unemployed AFDC fathers, by highest grade of school completed.
18. Unemployed AFDC fathers, by usual occupational class.
19. Absent AFDC fathers, by highest grade of school completed.
20. Absent AFDC fathers, by usual occupational class.
21. AFDC families, by whereabouts, employment, and reason for nonemployment of the mother.
22. AFDC families, by whether mother ever lived outside state and, if so, year of last move into state.
23. AFDC families, by participation in Department of Agriculture food distribution program.

TABLE 1.—AFDC FAMILIES, BY NUMBER OF ADULT RECIPIENTS, 1967

State and census division	Total families	Number of adult recipients		
		None	1 Adult	2 Adults
Total:				
Number.....	1,278,188	117,642	1,000,681	159,866
Percent.....	100.0	9.2	78.3	12.5
New England.....	68,684	9.5	82.6	7.9
Maine.....	5,874	7.3	84.8	7.9
New Hampshire.....	1,402	7.4	83.3	9.3
Vermont.....	2,105	5.6	83.5	10.9
Massachusetts.....	35,957	11.8	81.4	6.8
Rhode Island.....	7,501	8.7	78.1	13.2
Connecticut.....	15,845	6.3	86.3	7.4
Middle Atlantic.....	300,003	4.1	82.9	13.0
New York.....	196,173	3.0	83.8	13.2
New Jersey.....	36,174	5.2	92.8	2.0
Pennsylvania.....	67,655	6.8	75.0	18.2
East North Central.....	182,615	6.2	83.8	10.0
Ohio.....	53,477	5.6	82.8	11.6
Indiana.....	12,171	4.3	87.1	8.6
Illinois.....	57,902	6.3	85.9	7.8
Michigan.....	44,455	5.8	83.8	10.3
Wisconsin.....	14,610	10.7	76.7	12.6

TABLE 1.—AFDC FAMILIES, BY NUMBER OF ADULT RECIPIENTS, 1967—Continued

State and census division	Total families	Number of adult recipients		
		None	1 Adult	2 Adults
West North Central.....	74,939	12.2	83.2	4.7
Minnesota.....	15,928	18.0	81.9	.1
Iowa.....	11,795	7.1	78.2	14.0
Missouri.....	26,729	9.4	90.6	0
North Dakota.....	2,312	10.8	78.9	10.3
South Dakota.....	3,706	11.2	84.0	4.9
Nebraska.....	5,509	10.2	86.4	3.4
Kansas.....	8,960	18.7	68.5	12.8
South Atlantic.....	163,010	16.8	69.8	13.4
Delaware.....	3,818	10.2	79.4	10.4
Maryland.....	26,443	15.6	74.9	9.6
District of Columbia.....	5,341	10.9	84.6	4.5
Virginia.....	10,153	13.3	78.8	7.9
West Virginia.....	20,887	11.2	42.3	46.6
North Carolina.....	26,098	13.7	72.8	13.5
South Carolina.....	6,996	24.2	75.8	0
Georgia.....	25,941	17.5	73.5	9.1
Florida.....	37,333	23.6	70.4	6.0
East South Central.....	92,146	14.1	79.7	6.2
Kentucky.....	26,804	7.2	76.9	15.9
Tennessee.....	23,535	13.0	80.9	6.1
Alabama.....	18,136	17.3	82.7	0
Mississippi.....	23,671	20.7	79.3	0
West South Central.....	85,059	10.2	77.4	12.5
Arkansas.....	9,233	11.5	77.8	10.6
Louisiana.....	27,155	10.8	76.7	12.6
Oklahoma.....	22,316	16.7	67.7	15.7
Texas.....	26,354	3.5	86.2	10.3
Mountain.....	48,636	12.3	75.5	12.2
Montana.....	2,495	16.2	79.4	4.4
Idaho.....	3,047	2.2	89.0	8.9
Wyoming.....	1,220	11.5	85.2	3.3
Colorado.....	13,951	21.4	67.1	11.5
New Mexico.....	9,396	10.1	79.2	10.7
Arizona.....	10,208	7.7	82.3	9.9
Utah.....	6,672	6.2	66.1	27.7
Nevada.....	1,648	15.1	82.5	2.4
Pacific.....	225,247	8.2	75.6	16.2
Washington.....	15,867	7.8	77.7	14.6
Oregon.....	10,206	6.1	75.7	18.2
California.....	193,308	8.3	75.5	16.1
Alaska.....	1,217	9.8	90.2	0
Hawaii.....	4,648	10.6	66.0	23.4
Puerto Rico.....	37,458	12.1	52.7	35.3
Virgin Islands.....	393	44.8	47.8	7.4

TABLE 2.—AFDC FAMILIES WITH NO ADULT RECIPIENT, BY NUMBER OF RECIPIENT CHILDREN, 1967

State and census division	Total families with no adult recipient	Number of recipient children						Average number of children
		1 child	2 children	3 children	4 children	5 children	6 or more children	
Total:								
Number.....	117,642	54,502	29,588	16,506	8,374	4,301	4,371	2.1
Percent.....	100.0	46.3	25.2	14.0	7.1	3.7	3.7	2.1
New England.....	6,550	33.8	31.2	18.0	9.5	5.4	2.1	2.3
Maine.....	429	64.1	25.6	5.1	2.6	2.6	0	1.5
New Hampshire.....	104	48.1	21.2	17.3	9.6	0	3.8	2.0
Vermont.....	117	51.7	24.1	13.8	6.9	3.4	0	1.9
Massachusetts.....	4,253	30.4	31.7	19.3	10.6	6.2	1.9	2.4
Rhode Island.....	651	16.7	29.6	37.0	9.3	5.6	1.9	2.7
Connecticut.....	996	42.9	34.7	6.1	8.2	4.1	4.1	2.1

TABLE 2.—AFDC FAMILIES WITH NO ADULT RECIPIENT, BY NUMBER OF RECIPIENT CHILDREN, 1967—Continued

State and census division	Total families with no adult recipient	Number of recipient children						Average number of children
		1 child	2 children	3 children	4 children	5 children	6 or more children	
Middle Atlantic.....	12,347	48.7	25.2	15.9	5.6	2.4	2.3	2.0
New York.....	5,883	45.9	23.3	19.5	6.6	2.8	1.9	2.1
New Jersey.....	1,874	52.6	26.3	11.8	6.6	1.3	1.3	1.8
Pennsylvania.....	4,590	50.5	27.2	13.1	3.8	2.2	3.2	1.9
East North Central.....	11,340	45.0	24.3	14.2	7.8	3.2	5.5	2.2
Ohio.....	2,993	52.2	26.5	9.4	5.1	4.3	2.5	1.9
Indiana.....	522	59.3	22.2	11.1	3.7	3.7	0	1.7
Illinois.....	3,671	31.3	25.2	18.3	12.2	4.3	8.7	2.7
Michigan.....	2,595	46.5	26.7	15.1	4.7	1.2	5.8	2.1
Wisconsin.....	1,560	56.6	14.5	13.2	9.2	1.3	5.3	2.0
West North Central.....	9,115	39.7	28.6	15.5	7.9	4.1	4.2	2.2
Minnesota.....	2,863	33.0	28.8	17.1	10.4	4.6	6.0	2.5
Iowa.....	837	65.1	25.3	3.6	1.2	1.2	3.6	1.6
Missouri.....	2,520	40.4	29.8	17.0	5.5	3.8	3.4	2.2
North Dakota.....	250	37.3	26.5	15.7	9.6	7.2	3.6	2.4
South Dakota.....	414	50.5	24.8	16.8	4.0	1.0	3.0	1.9
Nebraska.....	560	52.5	35.0	5.0	3.7	1.2	2.5	1.7
Kansas.....	1,671	30.8	27.2	19.5	12.4	6.5	3.6	2.5
South Atlantic.....	27,390	44.6	25.2	14.4	7.7	4.2	3.9	2.2
Delaware.....	389	29.1	30.9	20.0	7.3	5.5	7.3	2.6
Maryland.....	4,122	37.4	28.7	17.8	9.0	6.3	.8	2.0
District of Columbia.....	583	40.2	36.4	10.3	7.5	4.7	.9	2.0
Virginia.....	1,353	43.2	28.4	13.7	7.4	5.3	2.1	2.1
West Virginia.....	2,335	50.5	18.7	13.2	9.9	3.3	4.4	2.1
North Carolina.....	3,579	46.4	27.0	14.9	5.0	3.2	3.6	2.0
South Carolina.....	1,692	51.1	22.7	10.6	8.5	3.5	3.5	2.0
Georgia.....	4,527	47.5	23.3	14.6	4.6	4.6	5.5	2.2
Florida.....	8,811	44.1	24.6	13.8	9.0	3.7	4.9	2.2
East South Central.....	13,002	47.3	21.4	12.0	8.7	4.2	6.4	2.3
Kentucky.....	1,926	66.7	20.8	5.6	2.8	2.8	1.4	1.6
Tennessee.....	3,057	60.2	12.9	15.1	5.4	3.2	3.2	1.9
Alabama.....	3,130	47.2	26.7	10.3	7.7	4.1	4.1	2.1
Mississippi.....	4,889	31.7	23.4	13.8	13.8	5.5	11.7	2.8
West South Central.....	8,639	43.4	27.3	13.2	7.1	5.9	3.2	2.2
Arkansas.....	1,065	39.7	28.6	17.5	4.8	6.3	3.2	2.2
Louisiana.....	2,920	49.4	21.2	13.9	6.6	5.5	3.3	2.1
Oklahoma.....	3,723	45.0	30.3	10.8	5.6	5.6	2.6	2.1
Texas.....	931	22.5	32.7	15.6	16.8	7.2	5.2	2.7
Mountain.....	5,994	39.1	27.9	17.7	6.7	4.2	4.3	2.2
Montana.....	403	35.8	25.9	13.6	13.6	6.2	4.9	2.4
Idaho.....	66	58.3	25.0	8.3	8.3	0	0	1.7
Wyoming.....	140	37.7	24.6	13.0	8.7	11.6	4.3	2.5
Colorado.....	2,980	31.2	29.1	24.1	6.4	5.7	3.5	2.4
New Mexico.....	948	48.4	23.4	12.5	9.4	0	6.3	2.1
Arizona.....	791	44.8	37.6	10.0	2.5	0	5.0	1.9
Utah.....	416	61.0	17.1	9.8	2.4	7.3	2.4	1.9
Nevada.....	249	44.5	23.5	11.1	8.6	4.9	7.4	2.4
Pacific.....	18,571	56.4	23.3	10.3	5.4	2.0	2.5	1.8
Washington.....	1,231	59.5	24.1	7.6	3.8	3.8	1.3	1.7
Oregon.....	621	63.8	10.8	13.1	6.9	3.8	1.6	1.8
California.....	16,108	56.1	23.7	10.4	5.5	1.7	2.6	1.8
Alaska.....	120	57.7	25.0	1.9	9.6	1.9	3.8	1.9
Hawaii.....	492	50.0	25.5	12.2	4.1	6.1	2.0	2.0
Puerto Rico.....	4,517	56.4	21.8	15.0	4.5	1.5	.8	1.8
Virgin Islands.....	176	36.4	25.0	15.3	9.7	6.2	7.4	2.5

TABLE 3.—AFDC FAMILIES WITH 1 ADULT RECIPIENT, BY NUMBER OF RECIPIENT CHILDREN, 1967

State and census division	Total families with 1 adult recipient		Number of recipient children							Average number of children		
	Number	Percent	1 child	2 children	3 children	4 children	5 children	6 children	7 children	8 children	9 children	10 or more children
Total:	1,000,681	238,306	231,160	189,231	139,064	91,204	55,537	30,035	14,293	7,137	4,716	3.0
Percent:	100.0	23.8	23.1	18.9	13.9	9.1	5.5	3.0	1.4	.7	.5	3.0
New England	56,706	24,4	26,9	19,9	13,0	7,9	4,0	1,8	1,2	.5	.3	2.8
Maine	4,983	28,3	25,4	16,6	15,9	7,3	3,8	1,3	.9	.4	.2	2.7
New Hampshire	1,168	15,6	23,3	26,0	18,2	9,4	4,6	1,2	.9	.5	.3	3.1
Vermont	1,757	31,3	22,3	17,7	11,5	9,4	5,1	1,6	.9	0	.2	2.7
Massachusetts	29,267	23,8	27,8	20,5	11,9	8,2	4,1	1,5	1,2	.8	.3	2.8
Rhode Island	5,861	27,8	25,5	19,1	14,2	5,1	1,4	1,0	.2	.4	.2	2.7
Connecticut	13,669	22,9	21,1	20,1	13,7	8,2	3,3	1,0	.5	0	.3	2.9
Middle Atlantic	248,679	24,5	24,2	20,0	13,6	8,3	4,8	2,4	1,1	.6	.4	2.9
New York	164,337	25,8	24,2	20,6	12,9	7,7	4,6	2,0	1,1	.6	.4	2.9
New Jersey	33,585	19,0	25,4	20,3	16,2	9,2	4,3	3,2	1,4	.7	.2	3.1
Pennsylvania	50,757	24,2	23,4	17,7	14,0	9,7	5,6	3,3	1,1	.6	.5	3.0
East North Central	153,093	22,0	23,1	18,3	13,8	9,9	6,0	3,6	1,7	.9	.7	3.2
Ohio	44,284	24,9	23,3	17,8	13,9	9,2	5,4	3,1	1,3	.6	.6	3.0
Indiana	10,607	21,5	23,1	20,6	13,3	9,8	4,0	4,4	1,8	1,1	.4	3.1
Illinois	49,727	16,1	22,0	18,3	13,8	12,1	8,0	4,9	2,6	1,4	.9	3.6
Michigan	37,272	25,1	23,4	18,6	14,2	8,5	4,8	2,4	1,4	.9	.7	3.0
Wisconsin	11,204	26,4	25,8	17,0	12,6	8,4	5,1	2,7	.7	.4	.7	2.9
West North Central	62,314	22,2	23,3	19,7	14,7	9,1	5,5	3,0	1,3	.9	.5	3.1
Minnesota	13,045	24,1	25,2	21,2	14,3	7,8	3,8	1,7	1,3	.3	.3	2.9
Iowa	9,222	25,8	25,9	19,8	14,4	7,2	3,3	1,9	1,3	.2	.1	2.8
Missouri	24,209	20,0	20,6	19,6	14,7	10,6	7,2	4,0	1,3	1,3	.6	3.3
North Dakota	1,824	26,4	19,6	18,0	16,7	8,3	5,0	3,6	1,8	1,3	.3	3.0
South Dakota	3,112	28,6	26,1	18,4	11,2	6,6	5,1	2,6	1,1	.3	0	2.7
Nebraska	4,760	19,6	25,4	18,2	18,6	9,6	3,4	1,3	1,2	.6	.3	3.2
Kansas	6,142	19,3	24,0	18,8	16,3	9,5	6,1	3,1	1,1	.1	.6	3.2
South Atlantic	113,800	19,7	22,0	18,9	15,9	10,4	6,5	3,6	1,8	.9	.4	3.3
Delaware	3,033	19,3	23,5	17,9	15,2	11,2	6,8	2,3	2,6	.9	.4	3.3
Maryland	19,793	20,8	22,6	19,6	15,3	8,6	5,9	4,0	1,9	.8	1.2	3.2
District of Columbia	4,518	12,2	18,3	16,4	17,9	13,1	10,3	6,6	2,4	1,1	1.6	3.9
Virginia	8,003	15,8	22,1	22,4	15,8	10,3	7,8	10,3	7,8	1,2	.7	3.3

TABLE 3.—AFDC FAMILIES WITH 1 ADULT RECIPIENT, BY NUMBER OF RECIPIENT CHILDREN, 1967—Continued

State and census division	Total families with 1 adult recipient		Number of recipient children							Average number of children
	1 child	2 children	3 children	4 children	5 children	6 children	7 children	8 children	9 children	
South Atlantic—Continued										
West Virginia	8,827	27.3	25.0	20.6	12.8	7.0	3.8	1.7	.2	.6
North Carolina	18,989	19.9	21.9	17.6	16.3	10.9	6.7	3.5	2.0	.5
South Carolina	5,304	18.1	21.5	18.6	14.0	13.1	8.1	2.9	1.5	.7
Georgia	19,058	23.4	20.4	16.5	15.1	10.5	7.0	4.0	1.7	1.1
Florida	26,275	16.2	22.3	19.9	17.7	11.4	6.0	3.7	1.7	.4
East South Central	73,444	22.1	21.1	16.1	14.7	11.2	7.0	4.4	1.7	1.1
Kentucky	20,624	29.4	25.7	15.3	13.5	7.4	4.2	2.5	1.0	.5
Tennessee	19,032	20.7	20.7	17.3	15.5	13.0	6.0	4.7	1.0	.9
Alabama	15,007	20.4	18.0	15.0	15.5	11.4	8.6	5.5	2.8	1.8
Mississippi	18,782	16.7	19.0	16.7	14.7	13.5	9.9	5.6	2.2	1.4
West South Central	65,812	20.2	21.2	19.0	13.9	10.8	6.9	4.3	2.2	.7
Arkansas	7,187	23.8	20.9	16.5	14.6	8.9	7.5	4.2	2.1	.9
Louisiana	20,818	22.1	18.2	18.8	12.4	10.9	6.3	5.1	2.2	.7
Oklahoma	15,998	23.1	26.9	17.7	13.1	9.2	4.5	3.3	1.5	.2
Texas	22,709	15.4	20.3	20.8	15.5	12.4	7.1	4.3	2.7	.8
Mountain	36,707	24.0	23.9	18.5	14.1	9.0	5.2	2.7	1.4	.7
Montana	1,982	23.1	25.1	19.3	11.1	11.3	5.3	2.3	1.0	1.0
Idaho	2,711	26.4	26.4	20.1	13.8	7.3	2.6	1.6	1.8	.4
Wyoming	1,039	26.4	24.4	18.6	14.6	7.2	4.3	2.0	1.6	.6
Colorado	9,364	21.0	25.7	18.1	15.8	9.7	4.3	3.6	1.9	.7
New Mexico	7,440	25.7	22.9	18.1	14.3	7.8	6.4	2.0	1.0	.8
Arizona	8,405	23.1	22.1	18.4	11.3	10.9	6.2	3.5	3.1	.9
Utah	4,407	28.8	24.4	18.7	15.4	5.8	4.8	2.9	.5	.5
Nevada	1,359	19.2	19.2	18.9	17.3	11.0	7.2	3.6	2.2	.7
Pacific	170,208	29.7	22.6	18.4	12.9	7.4	5.0	2.2	1.0	.4
Washington	12,328	30.3	26.4	16.5	13.2	6.8	4.4	1.8	.5	.5
Oregon	7,726	32.6	25.8	17.5	12.6	5.3	3.3	1.7	1.1	0
California	145,980	29.5	22.3	18.6	12.9	7.5	5.2	2.2	.5	.2
Alaska	1,097	29.3	19.9	18.0	11.3	9.2	7.3	2.1	.6	.3
Hawaii	3,067	29.3	18.2	17.3	14.1	10.3	4.7	2.6	2.1	.3
Puerto Rico	19,731	23.6	20.7	20.3	12.2	10.2	5.9	3.8	1.9	.7
Virgin Islands	188	19.7	16.0	11.7	14.9	13.8	13.8	3.2	1.6	.3

TABLE 4.—AFDC FAMILIES WITH 2 ADULT RECIPIENTS, BY NUMBER OF RECIPIENT CHILDREN, 1967

State and census division	Total families with 2 adult recipients		Number of recipient children					Average number of children	
	Number	Percent	1 child	2 children	3 children	4 children	5 children	6 children	7 or more children
Total:	159,866	24,056	25,332	27,523	24,270	18,884	14,748	25,053	4,0
100.0	15.0	15.8	17.2	15.2	11.8	9.2	15.7	4.0	
New England	5,428	15.4	15.7	18.6	16.4	11.1	9.9	12.9	3.9
Maine	462	19.0	16.7	9.5	14.3	16.7	7.1	7.1	3.8
New Hampshire	130	12.3	12.3	12.3	12.3	10.8	13.8	13.8	3.9
Vermont	230	15.8	10.5	10.5	19.3	15.8	8.8	19.3	4.3
Massachusetts	2,437	15.0	16.0	21.2	17.0	9.5	9.5	11.8	3.9
Rhode Island	989	19.5	22.0	18.3	7.3	9.8	9.8	13.4	3.6
Connecticut	1,180	11.7	10.2	15.6	25.3	13.2	8.2	15.8	4.1
Middle Atlantic	38,976	15.7	17.1	18.5	15.0	12.3	8.1	13.3	3.8
New York	25,954	16.0	19.2	19.7	15.2	10.1	7.4	12.4	3.7
New Jersey	715	13.8	0	17.2	27.6	20.7	10.3	10.3	4.2
Pennsylvania	12,307	15.1	13.6	16.2	13.6	16.5	9.3	15.5	4.1
East North Central	18,192	14.1	15.7	16.4	15.7	11.0	10.4	16.8	4.1
Ohio	6,200	12.4	14.9	17.8	17.4	12.4	9.9	15.3	4.1
Indiana	1,043	9.3	18.5	20.4	20.4	14.8	3.7	13.0	3.9
Illinois	4,504	14.9	12.8	12.8	14.9	9.9	12.8	22.0	4.5
Michigan	4,587	13.8	18.4	17.8	13.8	8.6	11.2	16.4	4.0
Wisconsin	1,847	21.1	16.7	14.4	14.4	13.3	7.8	12.2	3.8
West North Central	3,511	18.3	17.6	15.8	16.1	9.5	8.7	14.0	3.8
Minnesota	21	0	0	50.0	0	0	0	50.0	5.5
Iowa	1,735	19.8	18.0	17.9	18.6	9.3	6.4	11.0	3.5
Missouri	0	0	0	0	0	0	0	0	
North Dakota	238	15.2	6.3	16.5	8.9	13.9	12.7	26.6	4.8
South Dakota	180	13.6	15.9	13.6	6.8	15.9	13.6	20.5	4.4
Nebraska	189	25.9	18.5	11.1	11.1	11.1	11.1	11.1	3.9
Kansas	1,147	16.4	19.8	14.7	16.4	7.8	10.3	14.7	3.9

TABLE 4.—AFDC FAMILIES WITH 2 ADULT RECIPIENTS, BY NUMBER OF RECIPIENT CHILDREN, 1967—Continued

West South Central.....	10,608	16.2	16.7	16.6	17.4	8.7	9.5	15.0	3.9
Arkansas.....	981	15.5	27.6	17.2	22.4	8.6	1.7	6.9	3.2
Louisiana.....	3,417	21.3	17.4	15.7	14.0	5.5	11.1	15.1	3.7
Oklahoma.....	3,495	11.5	14.3	18.0	20.7	9.2	9.7	16.6	4.1
Texas.....	2,714	16.0	14.9	15.6	15.6	12.0	10.2	15.7	4.0
Mountain.....	5,935	13.6	15.9	16.9	11.0	12.7	11.7	18.2	4.2
Montana.....	110	4.5	22.7	22.7	13.6	13.6	18.2	4.5	3.8
Idaho.....	270	16.3	20.4	20.4	14.3	6.1	14.3	8.2	3.6
Wyoming.....	41	25.0	5.0	15.0	20.0	0	30.0	5.0	3.8
Colorado.....	1,607	13.2	17.1	11.8	6.6	17.1	9.2	25.0	4.5
New Mexico.....	1,008	17.6	7.4	20.6	14.7	11.8	10.3	17.6	4.1
Arizona.....	1,012	4.0	11.7	15.8	11.8	11.8	17.6	27.3	5.0
Utah.....	1,848	16.5	20.9	19.2	11.5	11.0	10.4	10.4	3.7
Nevada.....	40	38.7	15.2	15.5	7.6	15.4	7.6	0	2.7
Pacific.....	36,468	16.0	15.1	16.5	15.4	11.8	9.1	16.1	4.0
Washington.....	2,309	17.8	20.8	18.7	19.1	12.1	7.3	4.2	3.3
Oregon.....	1,859	19.8	16.1	17.3	14.4	12.5	10.1	9.8	3.6
California.....	31,211	15.8	14.6	16.2	15.2	11.8	9.0	17.4	4.1
Alaska.....	0	0	0	0	0	0	0	0	0
Hawaii.....	1,089	12.9	16.6	16.1	15.2	12.4	12.9	13.8	4.1
Puerto Rico.....	13,210	10.8	9.8	11.8	12.9	12.9	11.1	30.8	5.0
Virgin Islands.....	29	13.8	17.2	20.7	3.4	10.3	17.2	17.2	4.1

TABLE 5.—AFDC FAMILIES, BY AGE GROUPS OF CHILDREN, 1967

State and census division	Total families	Family includes children aged			
		Under 6 years	6 to 12 years	13 to 17 years	18 to 20 years
Total:					
Number.....	1,278,126	768,569	809,336	558,168	119,573
Percent.....		60.1	63.3	43.7	9.4
New England.....	68,685	64.0	62.2	36.3	7.4
Maine.....	5,874	51.1	60.1	42.5	10.1
New Hampshire.....	1,402	57.6	67.5	41.5	8.1
Vermont.....	2,105	62.8	57.8	39.2	8.8
Massachusetts.....	35,958	65.3	63.3	35.6	7.7
Rhode Island.....	7,501	66.1	58.4	36.0	6.9
Connecticut.....	15,845	65.6	62.6	35.1	5.9
Middle Atlantic.....	299,998	64.5	60.3	37.1	7.3
New York.....	196,166	65.3	57.9	35.4	6.6
New Jersey.....	36,176	61.2	65.4	39.3	6.4
Pennsylvania.....	67,656	63.7	64.4	40.8	9.9
East North Central.....	182,619	62.1	65.1	42.3	8.8
Ohio.....	53,479	62.2	63.9	38.5	9.0
Indiana.....	12,172	52.7	70.3	51.1	9.4
Illinois.....	57,903	64.9	68.4	45.8	8.5
Michigan.....	44,455	61.4	62.3	40.1	8.6
Wisconsin.....	14,610	61.0	60.4	42.3	9.3
West North Central.....	74,940	56.8	66.4	46.0	8.1
Minnesota.....	15,929	57.4	66.4	44.0	7.9
Iowa.....	11,795	55.8	61.5	40.7	6.8
Missouri.....	26,729	54.5	70.1	50.8	8.6
North Dakota.....	2,312	55.5	62.4	49.7	9.8
South Dakota.....	3,706	59.7	60.0	47.6	7.6
Nebraska.....	5,509	58.1	63.7	42.8	8.1
Kansas.....	8,960	62.1	67.2	42.6	8.4
South Atlantic.....	163,011	54.4	66.9	50.1	10.3
Delaware.....	3,818	68.9	65.4	41.9	7.4
Maryland.....	26,443	67.5	63.8	37.2	7.5
District of Columbia.....	5,341	63.9	68.7	44.6	7.0
Virginia.....	10,153	53.4	68.3	49.5	11.1
West Virginia.....	20,887	53.3	65.4	52.2	10.6
North Carolina.....	26,098	48.1	66.6	54.8	11.4
South Carolina.....	6,996	38.3	69.8	61.9	14.8
Georgia.....	25,941	50.9	68.0	54.0	12.9
Florida.....	37,334	53.1	68.4	51.6	9.1
East South Central.....	92,146	49.5	69.5	57.8	16.4
Kentucky.....	26,804	43.9	62.5	54.6	17.9
Tennessee.....	23,535	52.1	71.6	51.5	11.0
Alabama.....	18,137	48.7	69.8	61.9	16.7
Mississippi.....	23,671	54.0	74.9	64.4	19.9
West South Central.....	85,060	50.0	66.8	54.5	13.6
Arkansas.....	9,233	44.0	66.8	57.9	13.6
Louisiana.....	27,156	43.6	64.9	60.4	19.4
Oklahoma.....	22,316	54.9	59.5	47.6	9.3
Texas.....	26,355	54.6	74.9	53.2	11.3
Mountain.....	48,637	63.0	63.2	44.1	8.3
Montana.....	2,495	59.3	64.1	44.3	9.2
Idaho.....	3,047	62.6	56.4	36.7	5.4
Wyoming.....	1,220	57.6	59.2	43.4	6.7
Colorado.....	13,951	66.4	68.2	45.0	8.5
New Mexico.....	9,396	59.1	59.8	44.5	10.4
Arizona.....	10,208	58.7	66.6	52.5	8.1
Utah.....	6,672	69.3	54.9	33.8	7.0
Nevada.....	1,648	69.3	67.1	37.2	5.8
Pacific.....	225,180	65.8	56.9	36.6	7.3
Washington.....	15,867	60.3	55.4	36.3	6.5
Oregon.....	10,206	63.5	53.3	37.9	5.8
California.....	193,241	66.4	57.1	36.5	7.4
Alaska.....	1,217	56.3	66.0	49.9	7.4
Hawaii.....	4,649	67.0	57.0	36.7	6.5
Puerto Rico.....	37,458	51.5	75.3	66.0	17.3
Virgin Islands.....	393	64.9	77.1	57.5	16.0

TABLE 6.—AFDC FAMILIES AND RECIPIENT CHILDREN, BY RACE, 1967

State and census division	Families						Recipient children					
	Total	White	Negro	American Indian	Other	Unknown	Total	White	Negro	American Indian	Other	
Total: Number Percent	1,278,222 100.0	676,145 52.9	568,422 44.5	18,142 1.4	7,775 .6	.4	7,739 .6	3,940,162 100.0	1,973,411 50.1	1,864,563 47.3	56,241 1.4	25,347 .6
New England - - - - -	68,685	75.2	23.4	.4	.7	.7	196,761	73.0	25.3	.5	.5	.5
Maine-----	5,874	98.5	0	1.3	.2	0	16,049	98.4	0	1.4	.1	.8
New Hampshire-----	1,402	97.6	1.7	.4	.1	0	4,350	97.6	1.6	.4	0	.4
Vermont-----	2,105	100.0	0	0	0	0	6,020	100.0	0	0	0	0
Massachusetts-----	35,958	78.1	20.2	.4	.4	.9	102,586	75.7	22.3	.7	.5	.9
Rhode Island-----	7,501	79.4	19.8	.2	.2	.5	21,338	77.5	22.1	.1	.1	.3
Connecticut-----	15,845	52.5	46.0	0	.7	.9	46,399	50.6	47.7	0	.8	1.2
Middle Atlantic-----	300,023	48.1	49.8	.1	.4	1.5	902,529	46.9	51.2	.2	.4	1.3
New York-----	196,191	49.9	47.6	.2	.5	1.8	578,850	49.0	48.6	.2	.6	1.6
New Jersey-----	36,176	32.6	66.1	.1	.3	1.0	110,403	29.8	69.2	0	.3	.8
Pennsylvania-----	67,656	51.2	47.6	.1	0	1.2	213,276	50.2	48.9	.1	0	.8
East North Central-----	182,619	40.8	58.2	.5	.1	.3	588,078	37.8	61.3	.6	.2	.2
Ohio-----	53,479	44.1	55.2	.1	.4	.1	165,102	42.5	56.8	.1	.6	.1
Indiana-----	12,172	48.9	51.0	0	.2	0	38,331	44.7	55.3	0	.1	0
Illinois-----	57,903	26.4	73.3	.3	0	0	206,611	23.4	76.3	.3	0	0
Michigan-----	44,455	44.5	54.4	.5	0	.6	135,539	43.2	55.5	.8	0	.6
Wisconsin-----	14,610	68.0	27.4	3.5	0	1.1	42,435	65.9	29.3	4.0	0	.8
West North Central-----	74,940	65.3	29.2	5.1	.3	.1	225,994	61.6	33.0	5.0	.3	.1
Minnesota-----	15,929	84.8	7.6	6.6	.8	.2	44,416	84.4	8.0	6.5	1.0	.2
Iowa-----	11,795	87.9	10.8	1.0	.2	0	32,944	85.5	12.7	1.5	0	.1
Missouri-----	26,729	45.4	54.5	54.5	0	0	86,055	41.9	58.0	0	31.6	0
North Dakota-----	2,312	72.1	27.7	.1	0	0	7,290	68.7	53.6	.5	45.7	.1
South Dakota-----	3,706	54.0	45.4	0	.1	0	10,102	53.6	61.4	33.4	4.3	.2
Nebraska-----	5,509	66.3	27.8	5.1	.8	0	16,793	59.2	40.0	.6	.9	0
Kansas-----	8,960	62.8	36.3	.9	.2	0	28,394	59.2	40.0	.6	.2	0

TABLE 6.—AFDC FAMILIES AND RECIPIENT CHILDREN, BY RACE, 1967—Continued

State and census division	Families				Recipient Children								
	Total	White	Negro	American Indian	Other	Unknown	Total	White	Negro	American Indian	Other	Unknown	
South Atlantic.....	163,011	34.9	64.7	.3	0	0	513,889	31.2	68.4	.3	0	0	
Delaware.....	3,818	28.5	71.3	0	0	.2	12,443	24.8	75.1	0	0	0	.2
Maryland.....	26,443	25.4	74.2	.3	0	.1	83,994	22.2	77.5	.3	0	0	0
District of Columbia.....	5,341	2.9	96.9	.2	0	0	19,849	1.6	98.1	.3	0	0	0
Virginia.....	10,153	37.9	62.0	0	0	.1	32,353	34.4	65.4	0	.2	0	
West Virginia.....	20,887	90.4	9.5	0	0	.1	65,638	90.9	8.8	0	0	0	.2
North Carolina.....	26,098	29.7	69.0	1.3	0	0	82,902	24.0	74.8	1.2	0	0	0
South Carolina.....	6,996	24.5	75.3	.2	0	0	21,372	19.1	80.7	0	0	0	
Georgia.....	25,941	29.9	70.0	.1	0	0	79,828	25.1	74.7	0	.1	0	0
Florida.....	31,334	24.1	75.7	.2	0	0	116,810	20.2	79.5	.3	0	0	
East South Central.....	92,146	42.5	57.4	.1	0	0	290,930	35.9	63.9	.1	0	0	0
Kentucky.....	26,804	73.4	26.6	0	0	0	74,900	68.5	31.5	0	0	0	0
Tennessee.....	23,535	46.9	53.1	0	0	0	73,497	40.8	59.2	0	0	0	0
Alabama.....	18,137	29.1	70.5	.2	0	0	60,492	23.1	76.7	.1	.2	0	0
Mississippi.....	23,611	13.4	86.3	.3	0	0	82,041	11.3	88.5	.2	0	0	0

West South Central	85,060	42.9	54.0	3.0	.1	0	278,712	38.6	58.5	2.7	.1	0
Arkansas	9,233	39.0	61.0	0	.1	0	28,730	30.0	70.0	0	0	0
Louisiana	27,156	22.4	77.3	11.2	.1	0	90,120	17.8	82.1	.1	.1	0
Oklahoma	22,316	50.9	37.8	.1	.1	0	66,657	47.2	41.5	11.2	.1	0
Texas	26,355	58.7	41.0	.1	.2	0	93,205	55.3	44.4	.1	.2	0
Mountain	48,637	76.5	11.2	11.7	.2	.4	149,135	74.6	12.3	12.6	.1	.4
Montana	2,495	62.5	.8	36.3	.2	.2	7,385	62.8	.6	36.2	.5	.2
Idaho	3,047	94.0	.4	5.1	.4	.2	8,436	93.1	.7	5.6	.5	.1
Wyoming	1,220	89.4	8.0	2.2	.5	0	3,483	89.0	9.0	1.5	.5	0
Colorado	13,951	84.7	13.8	.3	0	1.2	42,892	83.7	14.9	.3	0	1.2
New Mexico	9,369	81.1	6.5	12.1	.3	0	28,484	80.0	8.0	12.0	.1	0
Arizona	10,208	55.7	18.4	25.9	0	0	33,656	54.8	17.8	27.5	0	0
Utah	6,672	88.3	2.4	9.0	.3	0	19,508	85.9	1.9	12.0	.2	0
Nevada	1,648	41.6	46.5	11.3	.6	0	5,291	34.7	55.0	9.6	.8	0
Pacific	225,251	66.4	28.9	1.7	2.5	.5	655,829	64.9	30.3	1.7	2.8	.4
Washington	15,867	84.0	10.4	5.1	.3	.2	42,233	82.0	11.6	5.8	.3	.2
Oregon	10,206	86.4	9.3	2.1	.2	0	27,618	83.3	10.6	4.1	0	0
California	193,312	65.4	32.3	.9	.5	0	567,856	64.2	33.6	9.9	1.0	.4
Alaska	1,217	17.6	3.4	78.4	.6	0	3,485	17.8	3.9	.5	0	0
Hawaii	4,649	19.1	.4	.4	.4	76.0	4.0	14,638	17.1	.3	.4	3.8
Puerto Rico	37,458	99.3	0	0	0	0	137,029	99.0	0	0	0	1.0
Virgin Islands	393	0	0	0	0	0	100.0	1,281	0	0	0	100.0

TABLE 7.—AFDC FAMILIES, BY TYPE OF PLACE OF RESIDENCE, 1967

State and census division	Total families	Residing in State						Residing out of State			
		In SMSA <sup>1</sup> county			Not in SMSA <sup>1</sup> county						
		Total	400,000 or more	250,000 to 399,999	100,000 to 249,999	Less than 100,000	Outside central city	Total	City of 2,500 or more	On a farm	Not farm or city
Total:	1,278,222	901,901	438,246	69,721	95,856	79,638	218,440	371,501	182,002	37,443	152,056
Number.....	100,0	70,6	34,3	5,5	7,5	6,2	17,1	29,1	14,2	2,9	11,9
Percent.....											.4
New England.....	68,685	80,7	18,6	0	26,2	13,3	22,6	19,3	14,3	.3	4,8
Maine.....	5,874	21,7	0	0	0	18,0	3,7	78,1	46,3	1,5	30,3
New Hampshire.....	1,402	24,0	0	0	0	22,0	2,0	75,9	55,6	3,3	20,0
Vermont.....	2,105	0	0	0	0	0	0	99,4	55,5	3,1	40,9
Massachusetts.....	35,988	91,0	35,4	0	14,0	12,0	29,5	9,0	8,3	1	0
Rhode Island.....	7,501	92,3	0	0	49,2	9,5	33,6	7,7	7,4	0	1,3
Connecticut.....	15,845	89,4	0	0	58,6	17,3	13,4	10,6	10,1	0	.5
Middle Atlantic.....	300,023	90,2	65,1	1,8	3,5	3,3	16,4	9,8	5,9	.3	3,6
New York.....	196,191	94,3	77,9	1,4	2,4	1,2	11,3	5,7	3,5	.1	2,1
New Jersey.....	36,176	84,5	32,0	7,4	9,8	6,3	28,9	15,5	13,9	.2	1,4
Pennsylvania.....	67,656	81,5	45,8	0	3,4	7,6	24,7	18,5	8,8	.7	9,1
East North Central.....	182,619	82,6	50,7	4,8	7,5	6,6	13,0	16,9	8,9	1,0	7,0
Ohio.....	53,479	85,2	49,1	16,4	3,7	6,8	9,2	14,4	7,6	.7	6,2
Indiana.....	12,172	73,7	13,7	0	43,7	11,0	5,4	26,2	15,1	1,4	9,7
Illinois.....	57,903	89,5	67,9	0	2,9	2,3	16,5	10,1	5,8	.5	3,8
Michigan.....	44,455	79,0	42,2	0	9,4	9,6	17,7	20,4	10,3	1,1	9,0
Wisconsin.....	14,610	64,9	45,5	0	4,2	9,7	5,5	35,1	17,1	3,7	14,3
West North Central.....	74,940	54,7	24,3	10,1	7,2	6,1	6,9	44,1	21,3	3,7	19,1
Minnesota.....	15,929	69,1	31,2	18,3	4,3	1,2	14,2	29,6	12,3	3,1	14,2
Iowa.....	11,735	46,4	0	0	18,2	21,5	6,8	52,6	30,9	4,4	17,4
Missouri.....	26,729	59,4	49,6	1	0	5,4	40,6	15,9	5,1	19,6	.9
North Dakota.....	2,312	9,4	0	0	0	7,7	84,8	36,6	4,0	44,1	0
South Dakota.....	3,706	12,8	0	0	0	11,4	1,4	83,2	33,8	2,5	46,8
Nebraska.....	5,509	56,3	0	44,1	9,1	.9	2,2	40,4	21,3	2,5	16,5
Kansas.....	8,960	53,6	0	25,1	23,0	.2	5,4	44,9	31,7	1,1	12,1
	14,610	64,9	45,5	0	4,2	9,7	5,5	35,1	17,1	3,7	14,3

		.5	.5	.5	.5	.5	.5	.5	.5	.5	.5
South Atlantic-----	163,011	53.6	17.5	5.3	7.8	10.2	12.6	45.9	15.9	5.1	24.9
Delaware-----	3,818	79.4	0	0	0	62.0	17.4	20.0	8.3	.2	11.5
Maryland-----	26,443	83.5	68.8	.6	0	0	13.4	16.0	6.8	.7	8.4
District of Columbia-----	5,341	100.0	0	0	0	0	0	0	0	0	.5
Virginia-----	10,153	49.5	0	16.7	13.3	5.8	13.7	49.5	14.2	3.6	31.7
West Virginia-----	20,887	22.9	0	0	2	11.5	10.9	76.8	12.5	4.8	59.5
North Carolina-----	26,098	35.6	0	0	16.6	7.5	63.9	24.1	10.7	29.1	.4
South Carolina-----	6,996	25.0	0	0	11.0	14.1	74.8	21.3	22.3	31.2	.6
Georgia-----	25,941	44.6	19.5	0	8.0	9.2	7.9	55.1	18.8	6.8	29.6
Florida-----	37,334	65.5	0	18.2	12.4	14.1	20.7	33.6	19.2	1.6	12.8
East South Central-----	92,146	30.9	5.5	6.3	8.2	2.8	8.1	68.8	23.4	13.5	32.0
Kentucky-----	26,804	24.5	0	16.8	0	4.2	3.5	75.5	23.1	7.3	45.2
Tennessee-----	23,535	46.5	21.5	1.1	17.0	1.8	6.0	53.2	21.6	8.0	23.6
Alabama-----	18,137	45.0	0	6.9	8.7	5.9	23.5	55.0	16.4	7.1	31.6
Mississippi-----	23,671	11.8	0	0	8.3	0	3.6	87.3	30.8	30.8	25.8
West South Central-----	85,060	51.7	16.9	9.7	6.0	7.4	11.7	48.2	21.0	4.4	22.8
Arkansas-----	9,233	22.0	0	0	7.0	5.1	9.9	77.1	27.8	15.0	34.2
Louisiana-----	27,156	49.7	23.7	0	8.1	6.3	11.6	50.1	18.4	5.3	26.4
Oklahoma-----	22,316	41.9	0	28.4	0	1.9	11.5	58.1	27.3	2.3	28.6
Texas-----	26,355	72.4	30.2	7.1	8.7	13.9	12.6	27.6	15.9	1.4	10.3
Mountain-----	48,637	56.2	20.1	7.7	5.8	10.1	12.5	41.4	20.8	1.4	19.1
Montana-----	2,495	27.9	0	0	0	25.0	3.0	67.5	31.3	4.4	31.7
Idaho-----	3,047	13.9	0	0	0	11.9	2.0	81.4	56.4	1.8	23.1
Wyoming-----	1,220	15.5	0	0	0	1.2	.3	94.2	80.7	1.8	53.3
Colorado-----	13,951	71.8	45.2	0	0	17.3	8.6	25.6	15.2	2.0	2.6
New Mexico-----	9,396	32.8	0	24.8	0	0	0	7.9	66.2	33.3	8.5
Arizona-----	10,208	65.1	34.1	13.8	0	0	17.2	32.7	8.4	1.0	32.3
Utah-----	6,672	77.0	0	0	28.8	15.4	22.9	20.9	6.4	1.6	23.4
Nevada-----	1,648	80.0	0	0	47.8	29.1	3.2	16.2	6.6	1.7	13.9
Pacific-----	225,251	84.2	25.8	9.6	8.5	5.5	34.8	15.5	9.9	.3	5.4
Washington-----	15,867	61.2	18.6	0	19.9	3.1	19.6	37.4	25.1	.8	11.4
Oregon-----	10,206	67.4	0	33.5	11.1	22.5	31.5	19.1	1.3	11.0	1.2
California-----	193,332	87.5	28.6	8.3	5.6	36.8	12.3	7.9	.2	4.2	.1
Alaska-----	1,217	82.9	0	43.4	0	0	39.5	17.1	10.6	0	61.8
Hawaii-----	4,649	82.9	0	0	0	0	0	0	0	0	0
Puerto Rico-----	37,458	19.1	8.5	0	2.1	2.9	5.6	80.9	64.4	16.3	.2
Virgin Islands-----	333	0	0	0	0	0	0	100.0	76.6	0	23.4

<sup>1</sup> Standard metropolitan statistical area.

TABLE 8.—AFDC RECIPIENT CHILDREN, BY TYPE OF PLACE OF RESIDENCE, 1967

State and census division	Total recipient children	Residing in State						Residing out of State				
		In SMSA 1 county			Not in SMSA 1 county							
		Total	400,000 or more	250,000 to 399,999	100,000 to 249,999	Less than 100,000	Outside central city	Total	City of 2,500 or more	Total	On a farm	Not farm or city
Total: Number Percent	3,940,288 100.0	2,770,728 70.3	1,361,344 34.5	214,187 5.4	293,932 7.5	239,443 6.1	661,824 16.8	1,154,240 29.3	568,625 14.2	122,064 3.1	473,552 12.0	15,323 .4
New England	196,761	81.0	19.6	0	26.1	13.5	21.8	18.9	13.8	.3	4.9	0
Maine	16,049	21.1	0	0	0	18.0	3.1	78.8	45.5	1.5	31.7	.1
New Hampshire	4,350	24.2	0	0	0	22.4	1.7	75.5	53.2	3.3	22.0	.3
Vermont	6,020	0	0	0	0	0	0	99.4	53.0	3.4	43.0	.6
Massachusetts	102,586	91.6	37.6	0	12.6	13.0	28.3	8.4	7.8	.1	.6	0
Rhode Island	21,338	91.7	0	0	50.6	32.4	8.3	8.1	0	.2	0	0
Connecticut	46,399	89.3	0	0	59.4	16.2	13.7	10.7	10.0	0	.7	0
Middle Atlantic	902,483	89.4	64.5	2.0	3.5	3.3	16.1	10.5	6.0	.3	4.3	0
New York	578,804	93.7	77.6	1.5	2.4	1.3	11.0	6.2	3.7	.1	2.4	0
New Jersey	110,403	84.2	30.4	8.7	9.9	6.5	28.8	15.8	14.7	.3	1.2	0
Pennsylvania	213,276	80.5	46.5	0	3.1	7.2	23.6	19.5	7.9	.8	10.9	0
East North Central	588,078	83.6	52.3	4.8	7.3	6.2	13.0	15.9	7.9	1.1	7.0	.5
Ohio	165,102	85.4	48.6	17.2	3.4	6.9	9.3	14.2	6.9	.9	6.3	.4
Indiana	38,331	75.4	14.0	0	45.1	12.0	4.2	24.4	13.7	1.2	9.5	.2
Illinois	206,611	90.7	69.5	0	2.9	2.2	16.0	8.9	4.8	.5	3.6	.4
Michigan	135,599	78.9	43.4	0	9.3	17.4	20.2	9.9	1.1	.9	9.3	.9
Wisconsin	42,435	64.3	45.9	0	3.3	9.1	6.0	35.7	15.5	4.0	16.3	0
West North Central	225,994	56.1	25.8	10.8	7.2	5.5	6.7	42.7	20.2	3.6	18.9	1.2
Minnesota	44,416	68.9	30.2	19.4	3.5	1.0	14.8	29.7	12.0	3.1	14.6	1.3
Iowa	32,944	48.6	0	19.2	22.4	7.1	50.1	30.8	4.3	15.1	1.2	
Missouri	86,055	60.4	52.3	.1	0	3.4	4.7	39.6	15.2	4.8	19.6	0
North Dakota	7,290	0	0	0	0	5.9	1.6	86.6	35.6	4.7	47.5	.9
South Dakota	10,102	11.9	0	0	0	10.6	1.4	84.2	33.7	2.6	47.8	3.9
Nebraska	16,793	59.6	0	49.6	7.2	.7	2.0	36.5	18.1	2.3	16.1	3.9
Kansas	28,384	57.7	0	26.3	25.5	.3	41.3	28.4	1.2	11.7	1.1	

	513,890	54.2	18.4	5.4	7.8	9.9	12.6	45.3	15.4	5.2	24.7	.5
South Atlantic.....												
Delaware.....	12,443	76.1	0	0	0	59.1	17.0	23.5	9.4	.5	13.5	.5
Maryland.....	83,094	85.0	70.9	.6	0	59.7	12.7	14.8	5.5	.8	8.5	.3
District of Columbia.....	19,849	100.0	100.0	0	0	0	0	0	0	0	0	0
Virginia.....	32,353	51.5	0	17.2	14.6	5.6	14.1	47.4	13.4	4.0	30.0	1.1
West Virginia.....	65,638	23.5	0	0	4.4	11.1	12.0	76.3	11.3	4.8	60.3	.7
North Carolina.....	82,502	35.8	0	0	0	17.0	11.6	7.3	63.5	24.7	10.6	28.3
South Carolina.....	21,372	23.5	0	0	0	10.4	13.0	76.4	20.3	23.6	32.5	.1
Georgia.....	79,828	45.0	19.9	0	10.0	7.9	7.2	54.7	17.7	7.3	29.8	.2
Florida.....	116,810	65.2	0	18.7	11.5	13.4	21.6	33.9	19.6	1.6	12.7	.9
East South Central.....	290,930	33.2	6.5	6.3	9.1	2.7	8.6	66.5	22.4	13.3	30.8	.3
Kentucky.....	74,900	26.6	0	19.3	0	4.0	3.4	73.4	22.5	5.6	45.2	0
Tennessee.....	73,497	51.7	25.8	.2	18.5	1.4	5.8	47.9	19.4	6.7	21.9	.4
Alabama.....	60,492	47.7	0	6.4	10.0	6.2	25.1	52.3	15.1	6.8	30.4	0
Mississippi.....	82,041	12.1	0	0	8.4	0	3.7	87.3	30.3	31.1	25.9	.6
West South Central.....	278,712	54.5	18.7	9.2	6.4	8.0	12.3	45.3	20.0	4.0	21.4	.2
Arkansas.....	28,730	23.9	0	0	7.5	5.7	10.7	75.0	26.3	14.8	33.9	1.1
Louisiana.....	90,120	53.4	26.0	0	7.9	6.7	12.9	46.4	18.0	5.1	23.3	.1
Oklahoma.....	66,657	42.6	0	28.1	0	2.6	11.9	57.4	26.6	1.6	29.1	0
Texas.....	93,205	73.6	30.8	7.4	9.2	13.8	12.4	26.4	15.2	1.2	10.1	0
Mountain.....	149,135	55.2	19.7	7.1	5.5	10.1	12.8	42.3	20.7	1.2	20.4	.2
Montana.....	7,385	29.3	0	0	0	26.0	3.2	65.2	31.2	4.2	29.9	.5
Idaho.....	8,436	12.3	0	0	0	10.3	2.0	82.4	55.1	1.8	25.5	.5
Wyoming.....	3,483	5.5	0	0	0	1.2	.3	94.1	80.8	1.7	11.5	.5
Colorado.....	142,892	68.8	41.5	0	.6	18.5	8.2	28.8	17.0	1.9	10.0	2.4
New Mexico.....	28,484	30.8	0	22.3	.1	0	8.4	68.3	34.2	.4	33.7	.9
Arizona.....	33,656	64.9	34.5	12.7	0	0	17.8	32.9	8.0	.5	24.4	.2
Utah.....	19,508	74.8	0	0	26.2	14.9	33.7	22.8	5.6	.5	16.7	2.3
Nevada.....	5,291	83.8	0	0	53.1	27.3	3.4	13.1	5.5	1.5	6.2	3.1
Pacific.....	656,000	84.5	25.9	9.2	8.6	5.3	35.4	15.2	9.6	.3	5.3	.3
Washington.....	42,233	60.7	19.0	0	19.5	2.8	19.4	37.6	24.8	.8	12.0	.7
Oregon.....	27,618	68.4	0	32.1	.4	10.9	24.9	30.6	18.6	1.1	10.9	1.0
California.....	568,026	87.6	28.5	8.1	8.5	5.4	37.2	12.2	7.8	.3	4.2	.1
Alaska.....	3,485	1.0	0	0	0	1.0	0	98.1	37.0	0	61.1	.9
Hawaii.....	14,638	82.4	0	39.5	0	0	42.9	17.6	10.6	0	7.0	0
Puerto Rico.....	137,029	16.0	7.1	0	1.8	2.5	4.6	84.0	66.2	17.7	.1	0
Virgin Islands.....	1,281	0	0	0	0	0	0	100.0	78.7	0	21.3	0

1 Standard metropolitan statistical area.

TABLE 9.—AFDC FAMILIES, BY TENURE OF HOME, 1967

State and census division	Total families	Home owned or being bought by		Home rented			Ownership or rental arrangement unknown	Inapplicable, home is group quarters
		Member of AFDC group	Other member of household	Public housing	Privately owned housing	Home occupied rent-free		
<b>Total:</b>								
Number-----	1,277,988	124,170	91,816	155,183	840,134	51,431	14,557	699
Percent-----	100.0	9.7	7.2	12.1	65.7	4.0	1.1	.1
New England-----	68,681	5.4	6.1	17.4	69.5	1.2	.4	.1
Maine-----	5,874	19.5	14.2	1.9	58.4	4.3	1.7	0
New Hampshire-----	1,402	9.7	6.8	9.0	72.5	1.0	.9	.1
Vermont-----	2,105	13.1	9.6	1.9	69.5	3.8	1.3	.8
Massachusetts-----	35,956	4.6	6.2	19.9	68.5	.6	.2	0
Rhode Island-----	7,501	3.1	2.1	16.6	75.7	1.9	.6	0
Connecticut-----	15,844	1.7	4.1	20.4	72.9	.5	.3	.1
Middle Atlantic-----	299,913	2.6	2.5	13.8	79.4	1.0	.5	.1
New York-----	196,088	2.0	1.7	13.0	81.8	1.0	.5	.1
New Jersey-----	36,172	2.5	2.2	13.4	80.4	.7	.8	0
Pennsylvania-----	67,653	4.4	5.1	16.5	72.0	1.4	.5	.1
East North Central-----	182,612	7.7	6.0	12.6	71.3	1.8	.6	.1
Ohio-----	53,475	6.8	6.0	11.8	73.5	1.2	.5	.1
Indiana-----	12,171	14.8	9.0	14.6	57.1	3.3	1.1	0
Illinois-----	57,901	2.6	2.7	18.5	73.4	2.3	.5	0
Michigan-----	44,455	12.4	9.6	6.9	69.0	1.6	.4	.2
Wisconsin-----	14,610	10.4	5.6	8.3	73.3	1.5	.8	0
West North Central-----	74,936	15.3	9.1	8.6	62.1	3.6	1.2	0
Minnesota-----	15,927	14.3	11.8	8.2	62.8	1.4	1.6	0
Iowa-----	11,795	18.0	11.8	.9	66.4	.9	2.1	.1
Missouri-----	26,728	16.7	5.5	13.2	57.6	6.5	.5	0
North Dakota-----	2,312	19.3	11.6	4.8	60.3	2.0	1.7	.4
South Dakota-----	3,706	20.5	13.4	4.0	56.4	5.2	.6	0
Nebraska-----	5,509	10.0	9.3	13.9	63.0	2.2	1.7	0
Kansas-----	8,960	9.5	9.2	5.6	71.3	2.9	1.5	0
South Atlantic-----	163,004	9.0	10.3	13.8	56.8	8.4	1.6	.1
Delaware-----	3,818	7.2	8.1	19.6	59.6	2.8	2.6	0
Maryland-----	26,442	2.4	6.4	17.3	66.4	5.1	2.3	0
District of Columbia-----	5,341	.6	3.9	41.4	51.8	.5	1.3	.4
Virginia-----	10,153	7.9	11.5	15.3	58.1	6.3	1.0	0
West Virginia-----	20,886	17.6	4.8	2.5	60.2	13.0	2.0	0
North Carolina-----	26,096	7.0	10.5	11.4	58.9	10.4	1.5	.1
South Carolina-----	6,996	7.4	9.8	6.3	51.6	24.4	.5	0
Georgia-----	25,940	8.2	10.6	16.8	53.4	10.8	.2	.1
Florida-----	37,333	12.6	16.7	18.7	50.2	4.5	2.3	.1
East South Central-----	92,144	13.2	12.2	11.4	50.9	11.5	.8	0
Kentucky-----	26,804	18.1	12.7	11.7	53.9	3.3	.4	0
Tennessee-----	23,534	11.0	9.6	17.6	51.5	8.7	1.5	0
Alabama-----	18,135	11.2	15.0	12.0	52.0	8.7	1.1	0
Mississippi-----	23,671	11.5	12.3	4.4	45.9	25.6	.3	0
West South Central-----	85,055	17.3	10.6	11.7	52.2	8.0	.2	0
Arkansas-----	9,233	14.1	15.0	4.9	44.5	21.1	.4	0
Louisiana-----	27,155	18.6	10.0	16.1	47.1	8.2	.1	0
Oklahoma-----	22,316	18.0	14.8	2.4	61.9	2.7	.1	0
Texas-----	26,352	16.4	6.2	17.4	51.9	7.8	.3	0

TABLE 9.—AFDC FAMILIES, BY TENURE OF HOME, 1967—Continued

State and census division	Total families	Home owned or being bought by		Home rented			Ownership or rental arrangement unknown	Inapplicable, home is group quarters
		Member of AFDC group	Other member of household	Public housing	Privately owned housing	Home occupied rent-free		
Mountain-----	48,635	18.3	10.0	7.6	58.1	4.7	1.1	0
Montana-----	2,495	13.4	13.4	5.6	60.3	5.6	1.2	.6
Idaho-----	3,047	16.5	5.8	3.1	69.4	4.3	.7	.2
Wyoming-----	1,220	10.3	8.2	2.5	75.4	2.2	1.5	0
Colorado-----	13,950	12.1	9.9	10.7	63.6	2.6	1.1	0
New Mexico-----	9,396	24.1	12.5	3.8	51.9	6.9	.8	0
Arizona-----	10,208	23.5	10.4	10.6	47.2	7.2	1.2	0
Utah-----	6,672	20.6	7.2	2.4	65.4	2.7	1.7	0
Nevada-----	1,648	13.4	11.2	21.3	49.1	5.1	0	0
Pacific-----	225,160	8.4	6.8	9.3	71.5	1.3	2.8	0
Washington-----	15,866	13.6	8.0	11.5	64.9	.9	1.0	0
Oregon-----	10,204	8.8	7.4	8.2	72.4	2.3	.8	0
California-----	193,224	7.9	6.6	8.7	72.5	1.2	3.1	0
Alaska-----	1,217	38.6	17.0	11.2	25.7	6.0	1.3	
Hawaii-----	4,648	1.7	7.1	25.7	60.0	4.2	1.2	0.2
Puerto Rico-----	37,456	48.0	13.4	12.1	11.6	13.9	1.0	0
Virgin Islands-----	393	4.1	8.7	58.0	19.8	7.4	2.0	0

TABLE 10.—AFDC FAMILIES, BY LENGTH OF TIME SINCE MOST RECENT OPENING, 1967

State and census division	Number	Percent	Time since most recent opening							Median number of years
			Total families	Less than 6 months	6 months but less than 1 year	1 year but less than 2	2 years but less than 3	3 years but less than 4	4 years but less than 5	
Total:	1,278,250	219,064	181,346	229,994	143,239	105,450	74,309	113,598	106,973	104,278
Number	1,278,250	219,064	181,346	229,994	143,239	105,450	74,309	113,598	106,973	104,278
Percent	100.0	17.1	14.2	18.0	11.2	8.2	5.8	8.9	8.4	8.2
New England	68,685	18.3	13.8	18.3	10.9	8.3	6.4	9.2	7.7	7.0
Maine	5,874	14.6	12.0	16.3	9.6	8.4	5.6	9.2	10.7	13.7
New Hampshire	1,402	19.7	15.5	18.1	13.4	7.7	7.3	5.7	4.7	4.7
Vermont	2,105	22.5	16.9	17.9	6.8	6.7	3.5	9.6	8.3	6.0
Massachusetts	35,958	18.9	14.0	19.1	11.9	8.7	6.5	8.9	6.3	5.7
Rhode Island	7,501	17.4	11.7	16.2	10.8	9.2	6.4	7.6	8.8	11.9
Connecticut	15,845	18.2	14.5	18.4	9.3	7.3	7.0	10.5	9.1	5.7
Middle Atlantic	300,050	15.2	15.3	19.3	11.9	7.8	6.3	8.5	8.3	7.6
New York	196,218	14.5	16.8	21.1	12.9	8.0	6.1	7.5	6.5	6.5
New Jersey	36,176	11.2	13.5	18.8	12.5	8.4	8.4	12.0	11.5	3.7
Pennsylvania	67,656	19.3	11.7	14.2	8.6	6.8	5.7	9.5	11.5	12.8
East North Central	182,619	18.0	13.5	15.8	10.0	8.6	5.3	11.1	9.3	8.4
Ohio	53,479	18.3	13.3	16.3	10.4	8.0	6.0	10.8	10.0	6.9
Indiana	12,172	15.1	15.9	14.0	12.9	9.2	5.7	7.6	9.5	10.2
Illinois	57,903	15.8	11.9	13.7	8.4	7.6	4.6	13.6	11.4	13.1
Michigan	44,455	18.6	14.1	17.1	11.2	11.2	5.8	10.3	7.1	4.6
Wisconsin	14,610	26.1	17.1	19.2	9.0	6.7	3.8	7.2	5.1	5.8
West North Central	74,940	16.2	12.0	15.6	12.0	8.9	6.4	9.2	9.9	9.9
Minnesota	15,929	16.0	11.3	17.5	12.5	9.1	7.0	9.7	8.6	8.4
Iowa	11,795	16.9	12.1	15.9	10.4	8.6	6.2	9.6	9.8	10.5
Missouri	26,729	14.4	11.0	13.4	12.0	9.0	6.7	9.6	12.4	11.6
North Dakota	2,312	14.7	16.0	17.6	11.8	9.2	5.6	8.2	7.8	9.0
South Dakota	3,706	15.6	13.7	18.3	12.5	10.4	5.8	7.7	6.9	2.19
Nebraska	5,509	20.1	15.9	17.0	12.6	7.2	5.2	8.1	6.1	7.8
Kansas	8,960	19.0	11.7	15.9	12.6	9.3	6.0	8.1	8.8	8.7

	South Atlantic	163,011	17.3	13.4	19.2	10.9	7.9	5.5	10.1	7.7	8.0	2.01
Delaware	3,818	28.5	16.1	18.1	11.5	7.2	4.4	6.3	4.3	3.5	1.30	
Maryland	26,443	20.4	12.6	20.7	13.2	10.1	6.0	8.6	4.5	3.8	1.82	
District of Columbia	5,341	16.3	15.7	17.4	13.0	9.4	4.2	7.3	9.7	6.4	2.04	
Virginia	10,153	16.8	14.6	17.4	10.5	7.3	6.2	7.4	10.0	9.8	2.11	
West Virginia	20,887	12.9	12.5	13.5	7.5	6.9	4.4	16.3	10.8	14.9	3.52	
North Carolina	26,098	14.8	11.4	16.1	10.1	7.9	7.4	13.9	9.6	9.6	2.77	
South Carolina	6,996	23.8	13.9	13.9	11.1	7.5	4.1	7.0	9.4	8.2	1.88	
Georgia	25,941	19.8	15.0	23.0	12.6	6.9	4.3	7.3	5.1	5.1	1.66	
Florida	37,334	15.4	13.9	22.5	10.3	7.7	5.7	9.4	7.0	8.1	1.92	
East South Central	92,146	14.2	14.0	15.2	11.3	8.1	6.0	9.3	9.2	12.8	2.58	
Kentucky	26,804	11.9	16.9	13.8	9.9	6.9	5.3	10.1	8.7	16.7	2.76	
Tennessee	23,535	15.8	12.8	14.1	12.2	9.4	6.1	9.4	10.3	9.9	2.60	
Alabama	18,137	16.1	11.8	16.0	11.0	6.5	5.9	10.6	7.5	14.6	2.56	
Mississippi	23,671	13.7	13.7	17.4	12.3	9.4	6.6	7.3	9.8	10.0	2.43	
West South Central	85,060	16.3	13.9	18.1	11.7	8.9	6.6	8.0	8.2	8.4	2.15	
Arkansas	9,233	16.1	15.8	18.9	11.2	9.3	5.7	9.2	7.0	7.0	1.96	
Oklahoma	27,156	13.2	11.6	16.8	12.1	10.2	6.7	10.4	10.5	8.5	2.70	
Texas	22,316	14.0	12.3	18.0	10.3	8.0	6.5	10.4	13.9	13.9	1.60	
Mountain	48,637	21.1	14.5	17.9	9.9	7.6	5.0	8.1	7.0	8.8	1.80	
Montana	2,495	22.6	13.6	20.6	11.2	6.0	3.8	6.6	7.2	8.6	1.67	
Idaho	3,047	25.3	20.1	22.2	9.9	6.0	3.4	4.2	4.3	4.5	1.21	
Wyoming	1,220	23.6	13.0	21.6	12.6	7.5	4.8	6.0	5.5	5.3	1.62	
Colorado	13,951	19.4	14.5	17.4	10.0	9.5	6.1	8.2	6.4	8.5	1.92	
New Mexico	9,398	22.1	13.1	15.0	9.9	7.9	4.6	7.9	7.4	12.1	1.99	
Utah	10,208	14.0	12.4	18.6	9.5	7.0	5.4	12.0	9.3	11.6	2.52	
Nevada	6,672	32.3	16.4	18.0	9.0	5.3	4.1	5.3	5.2	4.4	1.07	
Pacific	225,251	20.5	15.6	20.6	11.9	8.7	5.2	6.3	6.4	4.8	1.68	
Washington	15,867	30.2	19.3	14.2	10.3	6.8	4.3	5.8	5.1	3.9	1.04	
Oregon	10,206	30.8	17.0	17.9	9.4	6.5	4.1	5.0	5.1	4.1	1.12	
California	193,312	19.2	15.2	21.3	12.2	9.0	5.3	6.4	6.6	4.8	1.73	
Alaska	1,217	12.5	14.9	16.3	11.0	7.4	5.9	8.9	10.2	13.0	2.58	
Hawaii	4,649	22.8	16.7	18.4	14.3	6.4	5.1	6.7	3.5	6.3	1.57	
Puerto Rico	37,438	11.4	9.6	8.8	7.7	7.5	5.6	12.9	18.1	18.3	4.88	
Virgin Islands	393	16.5	15.0	15.5	11.7	6.6	7.4	13.0	6.9	7.4	2.25	

TABLE 11.—AFDC FAMILIES, BY LENGTH OF TIME AFDC RECEIVED PRIOR TO THE MOST RECENT OPENING, 1967

State and census division	Total families	Total	Received prior to most recent opening					AFDC not received prior to most recent opening	Unknown whether AFDC received prior to most recent opening
			Less than 1 year	1 year but less than 2	2 years but less than 5	5 years but less than 10	10 years or more		
Total:	1,278,250	499,226	137,815	81,488	124,693	79,885	45,661	29,685	739,466
Number	100.0	39.1	10.8	6.4	9.8	6.2	3.6	2.3	57.8
Percent									39.59
New England	63,685	36.9	11.0	6.3	9.3	5.1	2.4	2.8	3.1
Maine	5,874	30.9	8.6	6.4	7.1	5.6	1.1	2.1	66.5
New Hampshire	1,402	28.1	9.8	6.4	6.1	2.3	1.9	1.6	66.3
Vermont	2,105	25.3	9.6	5.4	5.6	2.9	1.0	1.0	5.6
Massachusetts	35,988	36.0	10.9	5.4	8.5	4.5	2.8	3.8	73.1
Rhode Island	7,501	48.4	12.1	8.2	14.5	8.4	4.5	8	60.1
Connecticut	15,885	37.9	11.9	7.4	10.2	5.0	1.4	2.0	51.1
Middle Atlantic	300,050	43.2	13.3	6.5	10.6	6.7	3.7	2.4	53.9
New York	196,218	43.5	13.6	6.5	10.5	6.4	3.7	2.9	53.6
New Jersey	36,176	24.4	6.3	4.8	7.2	3.1	1.4	1.6	71.2
Pennsylvania	67,656	52.3	16.4	7.3	12.8	9.5	4.8	1.5	45.8
East North Central	182,619	35.8	8.7	5.9	9.8	5.7	3.7	1.9	61.0
Ohio	53,479	32.5	8.0	5.6	9.2	4.7	3.2	1.8	63.5
Indiana	12,172	31.0	6.7	5.4	9.5	4.6	3.3	1.4	66.0
Illinois	57,933	36.2	9.0	5.8	10.1	5.8	3.6	1.9	60.9
Michigan	44,455	40.3	8.6	6.9	11.0	6.9	5.2	1.8	57.7
Wisconsin	14,610	36.5	11.8	5.6	7.2	6.7	2.2	2.9	58.0
West North Central	74,940	37.1	9.7	6.1	9.0	6.0	3.8	2.6	60.2
Minnesota	15,929	29.5	7.7	5.8	6.3	3.8	2.3	3.6	67.2
Iowa	11,755	31.3	7.6	5.6	8.7	5.6	2.1	1.8	64.8
Missouri	26,729	43.9	10.3	6.4	11.3	8.3	5.2	2.4	54.2
North Dakota	2,312	29.3	10.5	4.6	5.6	4.4	2.0	2.2	64.3
South Dakota	3,706	41.9	11.2	6.4	10.4	6.9	6.0	1.1	57.1
Nebraska	5,599	31.3	10.0	5.2	7.5	3.9	1.5	3.0	66.6
Kansas	8,960	41.8	12.8	7.4	8.4	4.7	5.2	3.3	55.3

South Atlantic	163,011	38.3	9.9	6.4	9.5	6.9	3.8	1.8	58.9	2.7
Delaware	3,818	56.3	12.8	9.8	12.6	11.1	7.0	3.0	42.6	1.1
Maryland	26,443	39.2	13.8	5.8	8.3	1.8	3.6	53.9	6.9	
District of Columbia	5,341	38.6	10.8	5.6	11.2	5.6	4.1	1.2	60.4	1.0
Virginia	10,153	33.2	10.8	7.2	6.2	2.7	1.4	65.2	1.5	
West Virginia	20,887	48.5	9.7	6.3	11.8	11.9	7.2	1.6	49.3	2.2
North Carolina	26,098	40.0	9.5	6.7	10.6	8.2	3.8	1.2	57.8	1.9
South Carolina	6,996	40.8	12.2	5.0	9.9	6.2	1.4	1.2	63.2	1.4
Georgia	25,941	35.3	9.3	8.2	9.1	2.4	1.2	62.9	3.5	
Florida	37,334	31.9	7.0	5.2	8.6	5.7	3.6	1.8	64.8	3.3
East South Central	92,146	33.6	6.8	5.6	9.4	6.2	4.5	1.1	64.4	2.0
Kentucky	26,804	30.6	6.5	4.8	7.4	5.6	5.5	.9	68.0	1.4
Tennessee	23,535	36.2	7.3	4.9	1.05	7.3	5.3	1.0	62.0	1.8
Alabama	18,137	38.2	6.8	6.6	10.3	8.3	5.1	1.1	60.6	1.2
Mississippi	23,671	30.9	6.8	6.3	10.1	4.1	2.1	1.4	65.5	3.6
West South Central	85,060	39.3	8.7	7.3	10.7	7.2	4.0	1.4	59.5	1.1
Arkansas	9,233	38.6	9.2	5.7	10.1	8.6	4.8	.4	59.9	1.5
Louisiana	27,156	43.7	9.3	8.1	11.7	8.0	5.1	1.5	55.5	1.8
Oklahoma	22,316	38.6	8.7	6.4	9.9	7.4	4.9	1.2	60.3	1.2
Texas	26,355	35.7	7.9	7.9	10.5	5.6	1.9	1.9	62.9	1.3
Mountain	48,637	40.4	10.8	6.7	9.9	6.3	4.5	2.3	56.6	2.9
Montana	2,495	36.9	9.0	7.6	6.2	5.6	4.8	3.8	59.7	3.4
Idaho	3,047	38.7	14.1	7.1	9.4	4.2	2.5	1.4	59.9	1.4
Wyoming	1,220	36.6	8.5	6.7	8.0	6.5	3.7	3.3	60.7	2.7
Colorado	13,951	41.7	10.9	5.8	9.4	7.3	5.3	3.0	55.5	2.9
New Mexico	9,396	39.7	8.7	6.5	9.8	6.5	6.6	1.7	57.4	2.8
Arizona	10,208	36.2	9.7	6.6	9.5	6.4	3.3	.6	60.9	2.9
Utah	6,672	30.7	14.9	9.3	14.2	5.2	3.7	3.5	46.4	2.9
Nevada	1,648	30.6	9.7	4.7	7.4	4.5	1.1	3.2	63.6	5.8
Pacific	225,251	42.2	13.4	6.9	9.6	5.8	2.7	3.8	52.8	5.0
Washington	15,867	54.9	17.1	9.3	14.4	7.3	4.4	2.4	42.8	2.2
Oregon	10,206	48.6	14.6	7.8	11.7	7.8	4.0	2.8	48.1	3.3
California	193,313	40.7	13.0	6.6	9.0	5.5	2.4	4.1	53.9	5.5
Alaska	1,217	42.2	11.9	8.3	11.2	5.1	3.4	2.3	56.3	1.5
Hawaii	4,649	47.8	12.7	7.7	11.9	9.3	5.5	.8	51.8	.3
Puerto Rico	37,458	25.0	4.8	4.9	6.1	5.4	3.4	.4	73.2	1.8
Virgin Islands	393	34.6	8.4	5.3	12.5	5.1	2.3	1.0	64.4	1.0

TABLE 12.—AFDC FAMILIES, BY STATUS OF FATHER WITH RESPECT TO THE FAMILY (NEW DEFINITION), 1967

State and Census Division	Father absent from home						Patents separated without court decree	Father has deserted
	Total families	Father dead	Father incapacitated	Father unemployed	Total	Parents divorced		
Total:	1,278,273	70,426	152,736	66,118	948,078	161,216	34,210	231,614
Number	100.0	5.5	11.9	5.2	74.2	12.6	2.7	18.1
Percent								
New England	68,685	4.3	6.6	3.0	80.1	20.6	7.3	14.1
Maine	5,874	9.7	9.2	0	79.0	41.6	2.4	7.3
New Hampshire	1,402	3.4	10.1	.1	86.2	36.9	5.4	13.1
Vermont	2,105	6.1	15.5	0	77.0	25.9	4.8	10.6
Massachusetts	35,988	3.7	5.9	3.4	78.2	20.9	9.2	14.7
Rhode Island	7,501	3.9	10.1	4.3	77.5	17.7	8.7	10.7
Connecticut	15,845	3.5	4.2	3.1	85.7	11.4	4.6	14.2
Middle Atlantic	300,080	3.9	8.5	6.7	78.9	4.9	3.0	9.9
New York	196,218	4.1	7.2	8.2	79.5	4.3	3.4	8.9
New Jersey	36,176	4.7	4.5	5.2	88.5	5.2	2.3	11.3
Pennsylvania	67,656	3.0	14.2	5.8	71.8	6.3	2.2	12.3
East North Central	182,619	3.9	6.6	5.2	82.0	16.1	3.3	10.0
Ohio	53,479	3.0	8.3	6.7	80.2	15.9	3.3	10.7
Indiana	12,112	5.7	11.9	5.2	81.7	25.4	8.3	11.1
Illinois	57,903	3.4	4.5	5.4	84.0	9.8	1.5	7.3
Michigan	44,485	4.3	4.2	4.8	84.0	18.6	3.3	15.9
Wisconsin	14,610	5.1	11.0	4.6	74.3	26.8	6.2	3.5
West North Central	74,940	6.1	13.2	.5	73.7	27.2	2.5	8.2
Minnesota	15,929	5.2	9.1	.1	70.2	36.9	4.6	5.3
Iowa	11,735	4.5	16.0	.1	75.3	37.1	1.4	7.3
Missouri	26,729	8.2	15.4	0	75.1	16.9	8	11.1
North Dakota	2,312	7.3	19.7	.5	68.4	27.3	2.9	5.6
South Dakota	3,766	7.0	11.2	0	74.0	24.6	2.5	9.1
Nebraska	5,509	6.7	9.3	1.1	81.7	31.0	6.0	8.3
Kansas	8,960	2.9	12.4	3.1	69.6	26.0	3.1	9.1

South Atlantic.....	163,011	7.9	15.4	4.5	69.8	5.6	1.4	7.7	22.2
Delaware.....	3,818	5.4	6.5	6.3	78.5	4.6	4.1	11.9	24.4
Maryland.....	26,443	3.8	9.2	2.3	78.6	3.4	1.7	16.6	20.1
District of Columbia.....	5,341	5.7	8.5	.8	84.6	1.9	1.7	12.2	24.3
Virginia.....	10,153	5.9	13.5	29.7	76.2	6.2	1.5	6.5	22.9
West Virginia.....	20,887	6.1	19.8	29.7	43.0	6.5	1.4	1.5	13.1
North Carolina.....	26,098	10.7	16.4	0	72.3	4.1	1.1	5.9	20.9
South Carolina.....	6,996	16.1	34.3	0	49.6	5.9	1.2	1.2	28.3
Georgia.....	25,941	12.6	22.5	0	63.9	5.9	1.0	6.2	24.7
Florida.....	37,334	6.4	10.8	.6	80.2	9.0	1.6	7.9	26.1
East South Central.....	92,146	11.1	21.6	0	65.5	9.3	.7	3.3	17.4
Kentucky.....	26,804	11.6	26.3	0	61.9	13.3	1.0	0	15.5
Tennessee.....	23,525	9.5	19.8	0	70.1	12.8	1.6	4.6	15.6
Alabama.....	18,137	10.1	20.3	0	68.5	5.9	1.0	6.5	17.5
Mississippi.....	23,671	12.8	19.1	0	62.8	4.0	.1	3.3	21.2
West South Central.....	85,060	8.9	20.6	.9	68.7	13.9	1.3	9.7	13.5
Arkansas.....	9,233	9.2	27.1	0	63.2	10.6	.9	7.3	14.8
Louisiana.....	27,156	10.4	23.8	0	64.3	5.1	1.4	12.9	13.0
Oklahoma.....	22,316	5.3	20.6	3.2	69.5	24.3	1.1	8.4	6.5
Texas.....	26,355	10.4	15.0	0	74.4	15.2	1.6	8.3	19.6
Mountain.....	48,637	4.8	13.5	5.3	71.4	22.8	1.8	7.1	14.3
Montana.....	2,495	4.4	12.2	0	72.9	31.7	.8	5.0	9.4
Idaho.....	3,047	4.2	12.3	.2	83.0	42.9	1.6	6.3	13.4
Wyoming.....	1,220	4.7	11.1	0	80.5	39.4	1.2	6.5	9.0
Colorado.....	13,951	3.6	10.8	6.5	66.8	19.4	2.1	9.5	15.2
New Mexico.....	9,396	5.7	19.1	.2	72.9	18.9	1.6	5.7	12.8
Arizona.....	10,208	7.7	17.6	0	74.3	14.9	1.2	6.8	21.4
Utah.....	6,672	2.4	8.1	24.8	63.5	31.5	2.9	4.6	7.3
Nevada.....	1,648	4.4	6.0	.2	86.2	23.1	1.3	10.8	14.5
Pacific.....	225,275	3.7	9.0	10.4	73.8	18.2	3.3	13.6	7.7
Washington.....	15,867	3.4	12.1	5.4	76.2	30.2	3.6	11.3	9.8
Oregon.....	10,206	2.4	11.4	10.5	74.0	25.5	1.2	14.7	9.2
California.....	193,336	3.7	8.5	10.8	73.8	16.7	3.4	13.9	7.6
Alaska.....	1,217	16.4	17.4	0	61.4	17.6	3.9	5.1	5.5
Hawaii.....	4,649	2.9	9.9	13.0	69.9	25.2	2.5	6.8	4.6
Puerto Rico.....	37,458	6.9	30.5	.2	46.6	2.4	.4	4.0	35.8
Virgin Islands.....	383	6.9	10.9	.8	80.7	3.8	1.3	1.5	57.0

TABLE 12.—AFDC FAMILIES, BY STATUS OF FATHER WITH RESPECT TO THE FAMILY (NEW DEFINITION),  
1967—Continued

State and census division	Father absent from home				Other status	
	Total families	Father not married to mother	Father in prison	Other reason	Stepfather case	Children deprived of support or care of mother
Total:						
Number.....	1,278,273	341,924	38,165	17,610	23,897	17,020
Percent.....	100.0	26.7	3.0	1.4	1.9	1.3
New England.....	68,685	22.6	2.2	1.1	5.4	.7
Maine.....	5,874	19.1	2.1	.7	.2	1.9
New Hampshire.....	1,402	10.8	1.7	1.0	.0	.1
Vermont.....	2,105	18.8	3.1	1.7	.2	1.2
Massachusetts.....	35,958	20.0	1.9	.9	8.5	.3
Rhode Island.....	7,501	21.1	2.3	1.4	3.5	.6
Connecticut.....	15,845	32.3	2.8	1.5	2.2	1.3
Middle Atlantic.....	300,050	28.7	2.6	1.5	.4	1.6
New York.....	196,218	27.5	2.5	1.6	.2	.7
New Jersey.....	36,176	33.6	2.5	1.2	1.0	1.0
Pennsylvania.....	67,656	29.7	2.9	1.3	.4	4.8
East North Central.....	182,619	32.6	3.1	1.2	2.1	.2
Ohio.....	53,479	30.8	4.1	1.3	1.6	.2
Indiana.....	12,172	24.9	4.4	1.3	.3	.2
Illinois.....	57,903	37.6	2.6	1.2	2.4	0
Michigan.....	44,455	32.9	2.0	1.0	2.2	.4
Wisconsin.....	14,610	25.0	3.4	1.4	4.1	1.0
West North Central.....	74,940	21.2	2.2	1.6	5.2	1.2
Minnesota.....	15,929	16.2	1.3	1.0	14.0	1.5
Iowa.....	11,795	15.0	2.5	1.8	3.5	.6
Missouri.....	26,729	26.9	2.4	1.6	0	1.3
North Dakota.....	2,312	17.8	1.7	2.5	1.8	2.3
South Dakota.....	3,706	25.2	2.1	1.2	6.6	1.2
Nebraska.....	5,509	22.2	2.0	1.7	0	1.1
Kansas.....	8,960	19.5	3.5	2.0	11.1	.9
South Atlantic.....	163,011	27.7	3.8	1.4	1.6	.7
Delaware.....	3,818	29.1	3.1	1.3	2.8	.6
Maryland.....	26,443	31.7	3.3	1.8	5.5	.6
District of Columbia.....	5,341	40.5	3.6	1.3	0	.4
Virginia.....	10,153	33.4	5.3	.4	4.1	.4
West Virginia.....	20,887	18.3	1.5	.7	.9	.5
North Carolina.....	26,098	34.2	4.8	1.4	0	.7
South Carolina.....	6,996	11.1	7.9	0	0	0
Georgia.....	25,941	18.5	5.0	2.5	.2	.8
Florida.....	37,334	31.7	2.6	1.3	1.0	1.0
East South Central.....	92,146	31.1	2.8	1.0	0	1.7
Kentucky.....	26,804	28.4	3.3	.4	0	.2
Tennessee.....	23,535	32.0	3.5	1.0	0	.6
Alabama.....	18,137	32.7	2.9	2.0	.2	1.0
Mississippi.....	23,671	32.1	1.3	.9	0	5.3
West South Central.....	85,060	25.9	3.3	1.1	.1	.9
Arkansas.....	9,233	26.4	2.6	.5	0	.5
Louisiana.....	27,156	27.2	3.3	1.3	.1	1.4
Oklahoma.....	22,316	26.7	1.7	.9	.1	1.2
Texas.....	26,355	23.7	4.9	1.1	0	.2
Mountain.....	48,637	21.2	2.8	1.5	4.5	.5
Montana.....	2,495	21.0	3.0	2.0	10.4	.2
Idaho.....	3,047	16.3	1.1	1.4	0	.4
Wyoming.....	1,220	18.5	2.7	3.3	3.0	.7
Colorado.....	13,951	16.1	3.8	.8	11.8	.5
New Mexico.....	9,396	30.3	2.1	1.6	1.1	1.1
Arizona.....	10,208	25.3	3.3	1.4	0	.4
Utah.....	6,672	12.8	1.7	2.7	1.1	.2
Nevada.....	1,648	33.5	2.2	.8	2.8	.4

TABLE 12.—AFDC FAMILIES, BY STATUS OF FATHER WITH RESPECT TO THE FAMILY (NEW DEFINITION), 1967—Con.

State and census division	Father absent from home				Other status	
	Total families	Father not married to mother	Father in prison	Other reason	Stepfather case	Children deprived of support or care of mother
Pacific.....	225,275	25.8	3.6	1.6	2.2	.9
Washington.....	15,867	16.3	2.5	2.5	2.5	.4
Oregon.....	10,206	17.7	2.7	3.0	.9	.7
California.....	193,336	27.0	3.8	1.4	2.3	.9
Alaska.....	1,217	27.6	3.2	1.5	.4	4.3
Hawaii.....	4,649	25.1	1.7	4.0	1.3	3.0
Puerto Rico.....	37,458	1.1	1.5	1.5	3.9	12.0
Virgin Islands.....	393	8.7	3.1	5.3	.5	.3

TABLE 13.—AFDC FAMILIES, BY STATUS OF FATHER WITH RESPECT TO THE FAMILY (OLD DEFINITION), 1967

State and census division	Total families	Father dead	Father incapacitated	Father unemployed	Total	Parents divorced	Parents legally separated	Father absent from the home					
								Parents separated without court decree	Father has deserted	Father not married to mother	Father in prison	Other reason	Other status
Total: Number	1,278,274	70,670	149,679	64,067	975,048	171,840	34,162	120,732	229,779	363,081	37,500	17,955	18,810
Total: Percent	100.0	5.5	11.7	5.0	76.3	13.4	2.7	9.4	18.0	28.4	2.9	1.4	1.5
New England	68,685	4.5	6.4	3.0	85.3	24.2	7.3	14.0	12.0	24.5	2.2	1.1	.8
Maine	5,874	9.7	9.2	0	79.0	41.4	2.4	7.3	5.8	19.3	2.1	.7	2.1
New Hampshire	1,402	3.4	10.1	0	86.3	36.2	5.3	17.1	13.1	11.8	1.7	1.0	1.1
Vermont	2,105	6.3	15.2	0	77.4	25.0	4.6	10.6	12.3	20.2	3.1	1.7	1.2
Massachusetts	35,958	4.0	5.7	3.3	86.7	27.2	9.2	14.7	10.8	22.0	1.9	.9	.4
Rhode Island	7,501	4.0	9.8	4.5	81.0	20.1	8.5	17.0	9.2	22.5	2.3	1.4	.6
Connecticut	15,845	3.6	4.0	3.4	87.5	11.9	4.6	13.7	18.3	34.6	2.7	1.5	1.5
Middle Atlantic	300,050	3.9	8.3	6.5	79.5	5.0	3.0	9.8	28.0	29.7	2.5	1.5	1.8
New York	196,218	4.0	7.1	8.0	80.0	4.4	3.4	8.9	31.2	28.1	2.4	1.7	.9
New Jersey	36,176	4.8	4.4	5.1	89.5	5.1	2.2	11.0	31.7	36.0	2.4	1.1	1.1
Pennsylvania	67,656	3.0	13.8	5.6	72.7	6.6	2.2	11.9	17.0	31.0	2.7	1.3	4.8
East North Central	182,619	3.9	6.4	4.9	84.2	16.8	3.2	9.5	15.0	35.5	3.0	1.2	.5
Ohio	53,479	3.0	8.0	6.3	82.1	16.4	3.1	10.1	13.7	33.4	4.0	1.3	.6
Indiana	12,172	5.7	12.1	0	81.6	25.2	8.6	6.5	11.0	24.6	4.1	1.6	.6
Illinois	57,903	3.5	4.5	5.0	86.8	10.4	1.6	6.8	22.5	41.7	2.5	1.3	1.2
Michigan	44,455	4.6	4.1	4.7	86.1	19.4	3.0	14.9	10.3	35.6	2.0	1.0	.5
Wisconsin	14,610	5.1	10.8	4.5	78.4	28.8	6.2	3.4	8.1	27.1	3.4	1.4	1.3
West North Central	74,940	6.2	12.9	.5	79.1	30.6	2.5	8.0	10.8	23.3	2.3	1.6	1.3
Minnesota	15,929	5.4	9.1	.1	83.8	46.2	4.6	5.3	5.0	20.3	1.4	1.0	1.7
Iowa	11,795	4.6	15.4	.1	79.1	39.4	1.5	7.2	10.4	16.4	2.4	1.8	.8
Missouri	26,729	8.0	14.9	0	75.8	16.8	.8	10.7	15.2	28.2	2.3	1.7	1.3
North Dakota	2,312	7.4	19.7	.5	69.9	28.4	2.7	5.1	10.3	19.1	1.8	2.5	1.3
South Dakota	3,706	7.4	11.0	.0	80.3	27.7	7.7	9.1	9.3	28.1	2.3	1.2	1.3
Nebraska	5,509	6.4	9.0	1.1	82.3	31.3	6.0	8.0	10.8	22.6	2.0	1.7	1.1
Kansas	8,960	3.2	11.9	3.1	80.8	33.7	.2	6.2	9.1	23.1	3.9	2.0	1.0

South Atlantic	163,011	8.0	15.2	4.5	71.6	6.1	1.4	7.5	21.9	29.6	3.7	1.5	.8
Delaware	3,818	5.0	6.3	6.3	81.7	5.4	4.1	11.9	25.2	30.7	3.1	1.3	.7
Maryland	26,443	4.1	9.0	2.3	83.8	4.8	1.8	16.0	20.2	35.5	3.4	2.0	.8
District of Columbia	5,341	5.7	8.2	.8	84.8	1.9	.7	11.5	23.2	42.4	3.4	1.6	.5
Virginia	10,153	6.5	13.5	29.4	79.7	8.0	1.4	5.8	21.5	37.4	5.4	.4	.4
West Virginia	20,887	6.0	19.4	44.5	6.6	1.5	1.5	1.6	13.5	19.2	5.2	.7	.7
North Carolina	26,098	10.6	16.2	0	72.6	4.1	1.1	5.7	20.4	35.1	4.7	1.4	.7
South Carolina	6,996	16.1	34.3	0	49.6	.9	1.2	1.2	28.1	7.9	0	0	0
Georgia	25,941	12.4	22.9	0	64.8	6.1	1.0	6.1	24.8	19.3	4.9	2.5	.9
Florida	37,334	6.4	10.6	.6	81.4	9.1	1.6	7.8	25.2	33.8	2.5	1.4	1.0
East South Central	92,146	10.9	21.3	0	66.1	9.2	.7	3.2	16.9	32.4	2.7	1.0	1.7
Kentucky	26,804	11.6	25.5	0	62.7	13.7	1.0	0	15.5	28.8	3.3	.4	.2
Tennessee	23,535	9.4	19.8	0	70.3	12.0	1.6	4.6	15.2	33.5	3.4	1.0	.6
Alabama	18,137	9.7	20.1	0	69.2	6.3	1.0	6.4	34.2	27.7	2.0	1.0	1.0
Mississippi	23,671	12.5	18.8	0	63.4	3.7	.1	3.1	20.4	33.9	1.3	.9	5.3
West South Central	85,060	8.9	20.2	9	69.1	13.8	1.3	9.4	13.1	27.3	3.3	1.0	.9
Arkansas	9,233	9.0	26.9	0	63.6	10.6	1.7	6.4	14.7	28.2	2.4	1.5	.5
Louisiana	27,156	10.6	23.3	0	64.7	5.2	1.4	12.9	12.8	27.8	3.3	1.2	1.4
Oklahoma	22,316	5.3	20.0	3.3	70.2	24.0	1.0	8.2	6.4	28.0	1.7	.9	1.2
Texas	26,355	10.2	14.9	0	74.7	15.1	1.6	7.8	18.7	25.7	4.9	.9	.2
Mountain	48,637	4.9	13.0	5.4	76.1	25.2	1.8	7.1	14.5	23.2	2.9	1.5	.6
Montana	2,495	4.4	11.6	0	83.6	38.3	.8	4.8	10.6	23.6	3.4	2.2	.4
Idaho	3,047	4.2	11.6	2	83.7	43.4	1.6	6.1	13.4	16.6	1.1	1.4	.4
Wyoming	1,220	4.8	9.0	2.0	83.0	40.4	1.2	6.5	20.3	20.3	3.2	3.2	.2
Colorado	13,951	3.8	9.9	6.8	78.9	25.8	2.1	9.7	15.8	20.8	4.1	.8	.6
New Mexico	9,396	5.5	18.8	0	74.6	18.9	1.6	5.5	12.8	32.0	2.1	1.7	1.4
Arizona	10,208	7.9	17.6	0	74.1	14.9	1.2	6.8	21.4	25.1	3.3	1.4	.4
Utah	6,672	2.7	7.8	24.4	64.8	32.6	2.9	4.6	7.3	13.1	1.7	2.7	.3
Nevada	1,648	4.3	5.8	.2	89.2	23.9	1.1	1.06	14.2	36.9	1.9	.8	.6
Pacific	225,275	3.8	8.7	10.0	76.5	19.3	3.3	13.4	7.8	27.5	3.6	1.6	1.1
Washington	15,867	4.1	11.8	5.2	78.3	32.5	3.5	10.7	9.5	17.4	2.5	2.2	.5
Oregon	10,206	2.7	11.1	10.3	75.1	26.1	1.2	14.5	9.3	18.3	2.6	3.0	.9
California	193,336	3.7	8.3	10.3	76.6	17.7	3.5	13.7	7.7	28.8	3.7	1.4	1.0
Alaska	1,217	16.3	17.2	0	62.2	17.8	.9	5.5	5.1	28.2	3.2	1.5	4.3
Hawaii	4,649	3.1	9.5	12.9	71.2	25.6	2.4	6.7	4.6	26.2	1.7	3.9	3.3
Puerto Rico	37,488	7.1	30.3	.2	50.1	2.4	4.2	38.6	1.1	1.7	5.1	1.7	12.3
Virgin Islands	393	6.9	11.5	.8	80.4	3.1	1.3	2.0	57.0	8.9	3.1	5.1	.5

TABLE 14.—AFDC RECIPIENT CHILDREN, BY STATUS OF FATHER WITH RESPECT TO THE FAMILY (NEW DEFINITION), 1967

State and census division	Total recipi-ent children	Father dead	Father incapacitated	Father unemployed	Father absent from home			
					Total	Parents divorced	Parents separated	Father has deserted
Total:	3,940,753	207,136	567,433	258,484	2,771,934	479,861	113,418	418,081
Number-----	100.0	5.3	14.4	6.6	70.3	12.2	2.9	10.6
Percent-----								739,493 18.8
New England-----	196,761	4.1	8.4	3.8	77.6	21.1	7.9	14.7
Maine-----	16,049	9.4	12.3	0	75.9	43.9	2.5	7.7
New Hampshire-----	4,330	3.0	11.6	.3	84.7	38.0	5.5	18.3
Vermont-----	6,020	5.2	22.7	0	70.1	27.7	5.2	10.6
Massachusetts-----	102,586	3.8	7.4	4.2	76.2	21.4	10.3	15.2
Rhode Island-----	21,358	2.8	13.2	5.2	74.4	16.9	8.9	18.6
Connecticut-----	46,399	3.5	5.0	4.5	82.8	12.0	4.5	14.6
Middle Atlantic-----	902,832	3.7	10.6	8.2	75.3	4.5	3.2	10.8
New York-----	579,153	3.8	9.0	10.1	76.1	3.9	3.7	9.7
New Jersey-----	110,403	4.5	5.7	1.1	87.7	4.8	2.8	12.8
Pennsylvania-----	213,276	2.8	17.6	7.3	66.4	5.9	2.2	13.1
East North Central-----	588,078	3.5	7.9	7.1	79.0	15.7	3.6	11.3
Ohio-----	165,102	2.6	10.7	8.6	76.1	16.1	3.7	12.3
Indiana-----	38,331	5.8	13.5	1.1	80.3	24.9	10.5	8.6
Illinois-----	206,611	3.1	5.3	7.0	82.1	9.5	1.6	11.4
Michigan-----	135,599	4.1	5.1	7.7	80.0	18.4	3.5	18.0
Wisconsin-----	42,435	5.0	12.8	6.0	70.6	27.8	7.4	3.9
West North Central-----	225,994	5.7	15.6	.7	71.8	26.9	2.8	9.4
Minnesota-----	44,416	5.0	11.1	0	68.3	38.2	5.0	6.7
Iowa-----	32,944	4.8	19.4	0	71.2	37.4	1.6	7.9
Missouri-----	86,055	6.8	17.5	0	74.3	16.7	.9	12.6
North Dakota-----	7,290	7.1	24.2	.5	64.4	28.2	3.8	6.6
South Dakota-----	10,102	7.6	14.7	0	70.0	24.9	2.7	9.9
Nebraska-----	16,793	6.4	9.6	1.3	81.8	31.4	7.0	9.3
Kansas-----	28,394	3.3	14.3	4.8	66.7	25.8	3.8	6.5

South Atlantic.....	513,890	7.2	17.4	5.4	67.9	5.2	1.5	9.0	3.82
Delaware.....	12,443	6.3	8.0	6.9	76.0	5.1	4.3	12.6	25.4
Maryland.....	83,094	3.5	12.5	2.9	76.2	3.0	1.9	18.6	23.1
District of Columbia.....	19,849	5.8	10.8	.7	82.6	1.7	.8	15.0	25.4
Virginia.....	32,353	5.3	14.2	35.8	76.4	5.5	1.8	8.4	25.6
West Virginia.....	65,638	4.5	21.7	0	36.9	6.3	1.6	1.4	12.7
North Carolina.....	82,502	10.4	17.9	0	71.1	3.4	1.5	6.0	24.2
South Carolina.....	21,372	15.6	37.2	0	47.3	.6	.9	1.3	30.5
Georgia.....	79,828	11.4	24.3	0	63.0	5.5	1.9	7.4	25.5
Florida.....	116,810	5.6	12.9	.7	78.7	8.6	1.6	9.6	27.1
East South Central.....	290,930	11.1	23.4	0	63.2	8.6	.8	4.3	18.2
Kentucky.....	74,900	11.6	29.3	0	58.9	12.4	1.6	0	15.3
Tennessee.....	73,497	9.0	20.5	0	69.6	12.9	1.6	6.3	17.1
Alabama.....	60,492	8.5	22.7	0	67.8	5.5	1.2	7.8	18.6
Mississippi.....	82,041	14.4	21.2	0	58.0	3.7	.1	3.9	21.6
West South Central.....	278,712	8.8	22.1	1.0	67.1	13.2	1.4	10.9	14.6
Arkansas.....	28,730	9.2	25.2	0	64.9	10.4	1.4	7.7	16.8
Louisiana.....	90,120	9.1	25.7	0	63.4	4.5	1.1	14.2	14.0
Oklahoma.....	66,657	5.0	23.2	4.4	66.3	24.0	.9	9.8	6.7
Texas.....	93,205	11.2	16.8	0	71.8	14.7	2.0	9.6	20.3
Mountain.....	149,135	5.0	16.5	6.7	67.1	22.9	2.3	7.8	14.8
Montana.....	7,385	5.7	14.0	0	67.9	34.3	.9	4.2	9.0
Idaho.....	8,436	5.5	14.9	.1	79.2	44.3	2.2	7.3	13.7
Wyoming.....	3,483	4.0	12.7	0	79.2	40.0	.8	7.2	11.2
Colorado.....	42,892	4.3	13.5	9.6	62.1	19.2	2.9	11.5	13.9
New Mexico.....	28,484	5.7	22.8	.2	69.4	20.1	2.1	6.7	12.8
Arizona.....	33,636	6.7	21.4	0	71.1	15.2	1.9	6.9	24.2
Utah.....	19,508	2.5	11.0	29.6	55.4	31.4	2.6	3.4	6.7
Nevada.....	5,291	5.2	5.9	.2	84.8	24.0	2.1	11.9	16.1
Pacific.....	656,120	3.5	11.3	14.1	67.8	18.2	3.5	14.9	7.4
Washington.....	42,233	3.0	14.0	6.9	73.2	31.8	4.3	11.5	10.2
Oregon.....	27,618	2.2	13.0	15.7	68.0	25.6	1.3	14.5	9.4
California.....	568,146	3.6	10.9	14.6	67.6	16.6	3.6	15.4	7.2
Alaska.....	3,485	16.9	22.1	0	54.7	19.4	1.5	5.5	5.4
Hawaii.....	14,638	3.1	12.9	16.0	61.9	26.1	2.7	8.2	4.7
Puerto Rico.....	137,029	5.7	40.3	.3	34.7	1.8	.4	3.4	25.6
Virgin Islands.....	1,281	6.6	12.4	.9	79.6	.5	1.4	1.9	55.3

TABLE 14—AFDC RECIPIENT CHILDREN, BY STATUS OF FATHER WITH RESPECT TO THE FAMILY (NEW DEFINITION), 1967—CONTINUED

State and census division	Total recipient children	Father absent from home			Other status	
		Father not married to mother	Father in prison	Other reason	Stepfather case	Children deprived of support or care of mother
Total:						
Number.....	3,940,753	861,634	110,727	48,723	70,656	65,115
Percent.....	100.0	21.9	2.8	1.2	1.8	1.7
New England.....	196,761	17.4	2.2	1.0	5.1	1.0
Maine.....	16,049	12.9	2.5	.8	.2	2.1
New Hampshire.....	4,350	7.9	1.4	.8	0	.4
Vermont.....	6,020	10.7	3.0	1.4	.3	1.7
Massachusetts.....	102,586	14.8	1.9	1.1	7.9	.5
Rhode Island.....	21,358	16.4	2.5	.8	3.6	.9
Connecticut.....	46,399	26.9	2.7	1.1	2.6	1.6
Middle Atlantic.....	902,832	23.8	2.4	1.4	.3	2.0
New York.....	579,153	23.4	2.3	1.6	.3	.7
New Jersey.....	110,403	27.3	2.3	1.3	.7	1.3
Pennsylvania.....	213,276	23.3	2.7	1.2	.3	5.7
East North Central.....	588,078	27.2	2.7	1.0	2.3	.3
Ohio.....	165,102	24.3	3.8	.9	1.8	.1
Indiana.....	38,331	20.3	3.6	1.1	.1	.2
Illinois.....	206,611	33.1	2.3	1.3	2.5	0
Michigan.....	135,599	26.3	1.7	1.0	2.6	.5
Wisconsin.....	42,435	19.4	3.1	.6	4.2	1.4
West North Central.....	225,994	17.4	2.0	1.4	4.8	1.3
Minnesota.....	44,416	11.5	1.0	.7	13.6	2.0
Iowa.....	32,944	10.3	2.2	1.7	4.0	.4
Missouri.....	86,055	23.8	2.0	1.3	0	1.4
North Dakota.....	7,290	10.7	1.7	2.3	1.9	2.0
South Dakota.....	10,102	19.1	2.4	1.0	6.1	1.5
Nebraska.....	16,793	18.8	1.8	1.8	0	1.0
Kansas.....	28,394	15.3	3.6	1.6	9.7	1.3
South Atlantic.....	513,890	23.3	3.9	1.3	1.4	.7
Delaware.....	12,443	24.7	2.5	1.4	2.4	.4
Maryland.....	83,094	24.7	3.1	1.9	4.5	.5
District of Columbia.....	19,849	34.9	3.4	1.3	0	.2
Virginia.....	32,353	29.5	5.2	.3	3.7	.4
West Virginia.....	65,638	12.4	1.9	.6	.8	.3
North Carolina.....	82,502	29.5	5.3	1.1	0	.6
South Carolina.....	21,372	6.9	8.2	0	0	0
Georgia.....	79,828	15.8	5.4	2.5	.1	1.1
Florida.....	116,810	28.2	2.6	1.0	1.0	1.1
East South Central.....	290,930	27.6	2.7	.8	0	2.2
Kentucky.....	74,900	25.7	3.3	.5	0	.2
Tennessee.....	73,497	28.9	3.1	.7	0	.8
Alabama.....	60,492	30.2	2.8	1.6	.2	.8
Mississippi.....	82,041	26.4	1.6	.6	0	6.5
West South Central.....	278,712	23.2	2.9	.9	0	.9
Arkansas.....	28,730	26.0	1.8	.9	0	.7
Louisiana.....	90,120	26.2	2.6	.9	0	1.8
Oklahoma.....	66,657	22.8	1.5	.7	.1	1.0
Texas.....	93,205	19.7	4.5	1.0	0	.2
Mountain.....	149,135	15.5	2.4	1.4	4.0	.7
Montana.....	7,385	15.0	2.6	1.9	12.1	.2
Idaho.....	8,436	9.5	.7	1.5	0	.3
Wyoming.....	3,483	15.6	1.7	2.7	3.2	.9
Colorado.....	42,892	10.6	3.0	.9	9.8	.8
New Mexico.....	28,484	24.6	2.0	1.2	.9	1.0
Arizona.....	33,656	18.4	3.1	1.4	0	.8
Utah.....	19,508	7.5	1.5	2.3	1.5	.1
Nevada.....	5,291	27.8	2.3	.5	3.5	.5
Pacific.....	656,120	18.9	3.5	1.4	2.4	.9
Washington.....	42,233	10.7	2.4	2.3	2.7	.3
Oregon.....	27,618	11.9	2.6	2.8	.8	.4
California.....	568,146	19.9	3.7	1.2	2.4	.8
Alaska.....	3,485	17.5	4.4	1.0	.1	6.1
Hawaii.....	14,638	15.7	1.6	2.8	1.6	4.4
Puerto Rico.....	137,029	.8	1.3	1.4	3.3	15.6
Virgin Islands.....	1,281	9.3	2.3	4.2	.4	.1

TABLE 15.—INCAPACITATED AFDC FATHERS, BY HIGHEST GRADE OF SCHOOL COMPLETED, 1967

State and census division	Total incapacitated fathers	Elementary school			High school			College		
		Less than 5th grade or none	5th to 7th grade	8th grade	1st to 3d year	High school graduate	High school graduate	1st to 3d year	College graduate	Unknown
Total:	152,736	53,154	28,220	20,447	18,790	8,848	2,547	377	.2	20,353
Number	100.0	34.8	18.5	13.4	12.3	5.8	1.7	.2		13.3
Percent										
New England	4,555	7.6	18.3	16.3	23.7	10.8	2.3	.2		20.8
Maine	539	14.3	18.4	20.4	12.2	10.2	0	2.0		22.4
New Hampshire	142	15.5	18.3	21.1	15.5	7.0	1.4	0		21.1
Vermont	327	4.9	14.8	33.3	8.6	9.9	0	0		28.4
Massachusetts	2,116	3.7	20.9	15.0	30.9	11.2	2.5	0		15.9
Rhode Island	760	1.6	20.6	12.7	19.0	12.7	6.3	0		27.0
Connecticut	671	21.2	9.1	12.1	24.2	9.1	0	0		24.2
Middle Atlantic	25,435	11.7	16.7	15.3	15.7	7.2	2.6	.2		30.7
New York	14,198	9.6	13.0	11.6	12.5	5.8	2.2	.4		45.0
New Jersey	1,628	19.7	22.7	6.1	7.6	6.1	0	0		37.9
Pennsylvania	9,610	13.4	21.0	22.3	21.8	9.4	3.6	0		8.4
East North Central	11,984	18.6	19.3	23.8	15.6	9.9	1.1	.2		11.5
Ohio	4,445	18.4	23.5	24.1	18.4	6.3	.6	0		8.7
Indiana	1,449	18.7	16.0	21.3	16.0	10.7	0	0		17.3
Illinois	2,619	28.1	20.7	24.4	12.2	7.3	0	0		7.3
Michigan	1,871	16.1	14.5	25.8	16.1	11.3	0	0		16.1
Wisconsin	1,601	6.4	14.1	21.8	12.8	21.8	6.4	1.3		15.4
West North Central	9,926	20.5	17.8	27.5	15.2	8.1	2.4	.3		8.2
Minnesota	1,442	9.9	12.1	34.0	13.4	7.1	5.0	1.4		17.0
Iowa	1,887	5.9	15.0	31.0	20.3	13.9	2.1	.5		11.2
Missouri	4,109	33.8	21.5	23.5	11.0	4.0	.8	0		5.3
North Dakota	455	16.6	24.5	28.5	7.9	7.3	6.0	0		9.3
South Dakota	414	5.0	23.8	31.7	22.8	7.9	4.0	0		5.0
Nebraska	511	13.7	8.2	30.1	21.9	17.8	2.7	0		5.5
Kansas	1,108	20.5	16.1	24.1	21.4	10.7	2.7	0		4.5

TABLE 15.—INCAPACITATED AFDC FATHERS, BY HIGHEST GRADE OF SCHOOL COMPLETED, 1967—Continued

State and census division	Elementary school			High school			College		
	Total incapac- itated fathers	Less than 5th grade or none	5th to 7th grade	8th grade	1st to 3d year	High school graduate	1st to 3d year	College graduate	Unknown
South Atlantic.....	25,158	42.9	23.1	9.3	8.7	3.0	.7	.2	12.1
Delaware.....	247	17.1	11.4	11.4	34.3	5.7	0	0	20.0
Maryland.....	2,424	16.1	10.7	9.4	11.4	3.4	.7	0	48.5
District of Columbia.....	1,452	18.1	34.9	12.0	18.1	7.2	0	1.2	8.4
Virginia.....	1,367	51.0	26.0	5.2	5.2	2.1	1.0	0	8.3
West Virginia.....	4,131	32.9	32.3	21.1	9.9	1.9	.6	0	1.2
North Carolina.....	4,272	48.3	26.0	6.0	7.9	3.0	1.1	0	7.5
South Carolina.....	2,400	56.5	21.0	4.5	8.5	1.0	0	0	8.5
Georgia.....	5,850	57.2	23.3	6.7	6.4	2.8	0	0	3.5
Florida.....	4,015	36.2	17.1	8.4	9.0	4.8	2.1	.6	21.9
East South Central.....	19,923	52.1	20.6	10.1	5.5	1.7	.7	0	9.3
Kentucky.....	7,062	51.1	17.4	10.6	3.8	1.1	.4	0	15.5
Tennessee.....	4,668	56.3	20.4	10.6	6.3	1.4	.4	0	3.5
Alabama.....	3,675	51.1	22.7	8.3	8.7	3.5	.4	0	5.2
Mississippi.....	4,518	50.0	23.9	10.4	4.5	1.5	.7	0	9.0

West South Central	17,537	52.5	22.3	9.5	8.1	3.7	.8	.2	2.9
Arkansas	2,503	62.2	18.9	11.5	3.4	3.4	.7	0	0
Louisiana	6,461	57.9	19.4	7.4	2.9	0	0	0	4.8
Oklahoma	4,667	38.4	26.9	14.0	11.2	4.9	2.1	.7	1.8
Texas	3,966	54.0	23.9	6.4	8.0	3.9	.7	0	2.2
Mountain	6,505	37.7	18.5	13.9	12.3	6.8	.6	.1	10.0
Montana	304	16.4	24.6	14.8	6.6	4.9	0	0	8.2
Idaho	375	13.2	14.7	35.3	17.6	10.3	4.4	0	4.4
Wyoming	136	23.9	11.9	26.9	11.9	10.4	3.0	1.5	10.4
Colorado	1,502	29.6	31.0	12.7	14.1	9.9	0	0	2.8
New Mexico	1,793	40.5	19.0	15.7	9.1	5.8	0	0	9.9
Arizona	1,799	57.0	8.8	6.6	7.8	2.2	0	0	17.6
Utah	538	24.5	15.1	13.2	30.2	13.2	0	0	3.8
Nevada	98	6.2	18.5	6.2	3.2	12.4	6.3	3.2	44.1
Pacific	20,219	19.7	13.2	14.0	21.9	11.1	4.3	.9	14.8
Washington	1,916	15.4	13.0	21.1	26.8	11.4	4.9	0	7.3
Oregon	1,162	13.6	17.0	26.6	18.4	9.3	4.1	1.7	9.4
California	16,488	20.2	13.1	12.5	21.8	11.4	4.4	1.0	15.6
Alaska	212	42.4	7.6	4.3	1.1	4.3	2.2	0	38.0
Hawaii	462	25.0	13.0	8.7	21.7	8.7	0	0	22.8
Puerto Rico	11,411	76.5	11.9	4.2	3.6	2.9	.3	0	2.7
Virgin Islands	43	18.6	7.0	2.3	0	2.3	0	0	69.8

TABLE 16.—INCAPACITATED AFDC FATHERS, BY USUAL OCCUPATIONAL CLASS, 1967  
[Number and percentage distribution]

State and census division	Total incapacitated fathers	Operatives and kindred semi-skilled and skilled workers										Service workers, except private household	Private household service workers	Unskilled laborers	Never held full-time employment	Unknown
		Professional, semi-professional, proprietors, managers, and officials	Clerical, sales, and kindred workers	Craftsmen, foremen, and kindred workers	Farm owners and managers	Farm tenants, renters, and sharecroppers	Farm laborers	27,856 16.1	8,182 5.4	283 .2	55,161 36.1					
New England	4,555	1.0	4.0	14.1	1.0	.1	1.2	30.5	5.6	0	37.9	1.4	3.1			
Total:	152,736	2,060	3,218	10,874	3,015	8,155 5.3	24,555 16.1	27,856 18.2	8,182 5.4	283 .2	55,161 36.1	5,106 3.3	4,270 2.8			
Number	100.0	1.3	2.1	7.1	2.0											
Percent																
Maine	539	0	2.0	8.2	6.1	0	8.2	18.4	6.1	0	46.9	0	4.1			
New Hampshire	142	4.2	2.8	8.5	1.4	0	0	26.8	5.6	0	42.3	4.2	4.2			
Vermont	327	0	0	7.4	3.7	1.2	3.7	30.9	1.2	0	48.1	3.7	0			
Massachusetts	2,116	1.3	6.3	19.8	0	0	0	27.2	6.1	0	34.4	1.3	3.7			
Rhode Island	760	1.6	1.6	11.1	0	0	0	49.2	7.9	0	27.0	0	1.6			
Connecticut	671	0	3.0	9.1	0	0	0	30.3	3.0	0	48.5	3.0	3.0			
Middle Atlantic	25,435	2.8	3.9	6.7	.5	.3	3.4	25.0	7.3	.3	42.6	2.9	4.2			
New York	14,198	3.7	5.1	6.0	.4	.4	3.7	25.6	8.6	.6	38.4	2.3	5.3			
New Jersey	1,628	1.5	1.5	10.6	1.5	1.5	4.5	18.2	1.5	0	42.4	4.5	12.1			
Pennsylvania	9,610	1.7	2.6	7.2	.4	0	2.7	25.3	6.5	0	48.9	3.4	1.4			
East North Central	11,984	.9	2.8	6.1	2.2	1.0	7.4	20.2	7.0	.3	43.3	5.4	3.3			
Ohio	4,445	.6	2.9	3.5	0	1.7	10.4	13.2	4.6	0	54.1	6.9	2.3			
Indiana	1,449	0	1.3	14.7	1.3	1.3	6.7	22.7	6.7	0	37.3	5.3	2.7			
Illinois	2,619	0	1.2	2.4	1.2	0	7.3	25.6	13.4	1.2	39.0	4.9	3.7			
Michigan	1,871	0	3.2	4.8	0	3.2	27.4	8.1	0	40.3	6.5	1.6				
Wisconsin	1,601	5.1	6.4	12.8	7.7	1.3	5.1	20.5	2.6	0	29.5	1.3	7.7			
West North Central	9,926	1.6	2.5	8.4	4.1	5.0	11.5	17.7	2.9	.3	39.0	4.2	2.8			
Minnesota	1,442	3.5	4.3	9.9	7.1	2.9	6.4	18.3	2.1	0	36.2	3.5	5.7			
Iowa	1,887	3.2	3.2	9.6	2.7	6.4	24.6	3.2	.5	31.6	1.1					
Missouri	4,109	4.4	1.1	6.9	5.0	6.5	15.4	1.9	.4	39.9	6.3	1.1				
North Dakota	455	2.0	3.3	7.9	6.0	7.3	16.6	13.2	5.3	0	35.1	2.6	.7			
South Dakota	414	3.0	5.0	9.9	0	4.0	10.9	20.8	3.0	0	32.7	7.9	3.0			
Nebraska	511	0	4.1	5.5	1.4	1.4	13.7	16.4	4.1	0	49.3	4.1	1.4			
Kansas	1,108	.9	2.7	10.7	1.8	.9	8.0	15.2	5.4	0	50.9	1.8				

	South Atlantic	.6	.8	6.9	1.4	10.0	14.0	16.5	4.9	0	38.8	2.9	3.8
25,158	25,158												
Delaware	247	0	2.9	17.1	2.9	0	11.4	20.0	8.6	0	34.3	0	2.9
Maryland	2,424	1.4	1.3	11.4	1.3	.7	4.6	16.1	11.5	0	38.2	0	13.5
District of Columbia	452	0	3.6	8.4	0	0	16.9	27.7	1.2	37.3	1.2	3.6	
Virginia	1,367	0	0	7.3	2.1	7.3	9.4	19.8	2.1	0	49.0	2.1	1.0
West Virginia	4,131	0	0	6.8	2.6	1.2	2.5	27.3	2.5	0	53.4	5.6	0.5
North Carolina	4,272	1.1	1.4	5.7	2.3	19.6	15.8	10.9	2.6	0	33.6	3.4	4.5
South Carolina	2,400	0	1.0	5.0	1.5	19.5	27.5	10.5	4.0	0	26.5	2.0	2.5
Georgia	5,850	0	1.1	4.6	1.1	15.9	21.9	15.2	3.9	0	32.5	3.2	3.6
Florida	4,015	1.5	.9	9.0	1.8	3.0	13.2	15.6	6.0	0	43.1	2.4	3.6
East South Central	19,923	.8	.7	4.0	5.8	14.5	12.0	12.4	3.8	.3	38.3	5.5	1.7
Kentucky	7,062	.8	.8	3.4	4.2	8.7	9.1	11.4	1.5	0	48.5	9.1	2.7
Tennessee	4,668	1.4	0	4.2	6.3	15.5	12.0	12.0	2.8	1.4	37.3	5.6	1.4
Alabama	3,675	.4	1.3	5.2	4.4	14.0	17.9	15.7	4.8	0	33.2	2.6	1.4
Mississippi	4,518	.7	.7	3.7	9.0	23.1	11.9	11.9	7.5	0	27.6	2.2	1.5
West South Central	17,537	.7	1.0	4.9	2.2	9.5	21.1	13.5	5.1	.1	38.8	2.5	.6
Arkansas	2,503	1.4	.7	1.4	2.0	15.5	35.1	5.4	4.1	0	31.1	3.4	0
Louisiana	6,461	.4	.5	4.3	2.5	14.0	16.0	10.1	5.2	0	45.2	1.5	4.5
Oklahoma	4,607	1.0	2.1	5.6	2.1	5.6	17.1	17.5	6.0	0	38.1	4.5	.3
Texas	3,966	.5	.7	7.2	2.2	3.1	25.1	19.4	4.6	.3	34.3	1.2	1.5
Mountain	6,545	1.2	.9	4.5	.8	1.5	23.9	13.9	6.6	.3	42.2	2.4	1.7
Montana	304	0	1.6	8.2	1.6	4.9	13.1	16.4	6.6	0	31.1	11.5	4.9
Idaho	375	0	0	10.3	1.5	2.9	19.1	20.6	2.9	0	42.6	0	0.5
Wyoming	136	1.5	1.5	4.5	3.0	4.5	13.4	22.4	0	0	43.3	1.5	4.5
Colorado	1,502	1.4	1.4	1.4	1.4	1.4	25.4	19.7	8.4	1.4	36.6	0	1.4
New Mexico	1,733	.8	1.7	5.8	0	24.0	8.3	10.7	0	46.3	2.5	0	
Arizona	1,799	1.1	0	2.2	1.1	2.2	29.9	8.9	3.3	0	46.9	2.2	2.2
Utah	538	3.8	0	9.4	0	15.1	22.6	12.6	1.9	0	31.7	5.7	3.8
Nevada	98	3.2	3.1	9.3	0	3.2	6.3	24.9	12.5	0	21.7	3.2	12.7
Pacific	29,219	2.2	3.3	10.8	.4	.5	17.5	25.4	5.5	0	28.5	1.8	4.0
Washington	1,916	.8	4.9	11.4	0	1.6	13.8	25.2	2.4	0	36.6	.8	2.4
Oregon	1,162	1.2	4.4	11.0	0	.4	11.5	23.6	4.4	0	43.4	5.6	2.4
California	16,468	2.5	3.5	10.9	.5	.3	18.8	25.7	6.3	0	25.6	1.6	4.3
Alaska	212	1.1	0	2.2	0	0	7.6	12.0	1.1	0	44.6	6.5	4.3
Hawaii	462	1.1	2.2	10.9	0	1.1	4.3	28.3	3.3	1.1	44.6	0	3.3
Puerto Rico	11,411	.6	1.8	9.5	1.2	1.5	60.4	7.7	4.5	.3	6.8	3.9	1.8
Virgin Islands	43	0	2.3	4.7	0	0	11.6	4.7	0	0	48.8	4.7	23.3

TABLE 17.—UNEMPLOYED AFDC FATHERS, BY HIGHEST GRADE OF SCHOOL COMPLETED, 1967

State and census division	Total unemployed fathers	Elementary school						High school			College		
		Less than 5th grade or none		5th to 7th grade	8th grade	1st to 3d year	High school graduate	1st to 3d year	College graduate	Unknown			
		Total Number Percent...	14.1	13.4	15.3	27.2	10.6	1,455 2.2	290 .4	11,06 16.7			
New England	2,033	5.7	17.5	23.9	26.1	10.7	.5	.1	15.4				
Maine	0	0	0	0	0	0	0	0	0				
New Hampshire	2	0	0	0	0	0	0	0	0				
Vermont	0	0	0	0	0	0	0	0	0				
Massachusetts	1,210	4.2	19.1	27.9	29.5	12.9	0	0	0				
Rhode Island	326	3.7	14.8	14.8	25.9	3.7	0	0	0				
Connecticut	496	10.9	15.5	20.2	17.6	9.8	2.1	.5	.5				
Middle Atlantic	20,070	6.6	8.2	12.8	23.3	7.6	1.4	.3	.3				
New York	16,069	7.2	7.1	10.8	18.2	6.6	1.4	.3	.3				
New Jersey	74	0	0	0	0	0	0	0	0				
Pennsylvania	3,927	4.1	12.8	21.1	44.7	11.9	1.8	0	0				
East North Central	9,506	14.7	16.5	18.2	30.4	10.9	1.8	0	7.6				
Ohio	3,568	10.8	17.2	17.3	35.3	10.8	2.1	0	6.5				
Indiana	19	0	0	0	0	0	0	0	100.0				
Illinois	3,098	22.7	12.4	17.5	34.0	8.2	2.1	0	3.1				
Michigan	2,143	12.7	19.7	19.7	21.1	15.5	1.4	0	9.9				
Wisconsin	677	6.1	21.2	21.2	18.2	9.1	0	0	24.2				
West North Central	372	7.2	29.6	34.7	16.0	7.2	2.7	0	2.7				
Minnesota	10	0	0	0	100.0	0	0	0	0				
Iowa	10	0	0	0	0	0	0	100.0	0				
Missouri	0	0	0	0	0	0	0	0	0				
North Dakota	12	0	0	25.0	25.0	0	0	0	25.0				
South Dakota	0	0	0	0	0	0	0	0	0				
Nebraska	633	11.1	44.4	44.4	11.1	11.1	0	0	11.1				
Kansas	277	7.1	28.6	38.3	17.9	7.1	0	0	11.1				



TABLE 18.—UNEMPLOYED AFDC FATHERS, BY USUAL OCCUPATIONAL CLASS, 1967

State and census division	Total unemployed fathers	Professional, semiprofessional proprietors, managers, and officials	Clerical, sales, and kindred workers	Craftsmen, foremen, and kindred workers	Farm owners and managers	Farm tenants, renters, and share-croppers	Farm laborers	Operatives and kindred semiskilled and skilled workers	Service workers except private household workers	Private household service workers	Unskilled laborers	Never held full-time employment	Unknown
Total:	Number	66,118	1,066	2,007	4,033	0	.275	7,275	15,313	3,954	.76	29,555	1,547
	Percent	100.0	1.6	3.0	6.1	0	.4	11.0	23.2	6.0	.1	44.7	2.3
New England	2,033	1.6	1.7	12.5	0	.3	.8	30.2	8.4	1	42.3	0	2.2
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0
New Hampshire	2	0	0	0	0	0	0	100.0	0	0	0	0	0
Vermont	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	1,210	2.1	2.2	10.7	0	0	0	25.4	8.4	0	48.9	0	2.2
Rhode Island	326	0	0	18.5	0	0	0	33.3	14.8	0	29.6	0	3.7
Connecticut	496	1.6	1.6	13.0	0	1.0	3.1	39.4	4.1	5	34.7	0	1.0
Middle Atlantic	20,070	1.8	4.1	4.8	0	.3	2.7	24.2	7.9	.3	49.5	1.8	2.6
New York	16,069	2.1	4.5	5.4	0	3	3.1	23.5	8.8	.3	47.9	1.4	2.7
New Jersey	74	0	0	0	0	0	0	0	0	0	0	0	100.0
Pennsylvania	3,927	.8	2.8	2.7	0	0	9	27.5	4.6	0	56.9	3.7	0
East North Central	9,506	1.5	2.5	4.1	0	3	4.3	22.0	8.0	0	53.9	2.1	1.3
Ohio	3,568	1.4	1.4	5.0	0	0	2.1	20.2	6.5	0	60.5	2.2	.7
Indiana	19	0	0	0	0	0	0	0	0	0	100.0	0	0
Illinois	3,098	2.1	3.1	2.1	0	0	8.3	23.7	13.4	0	41.2	3.1	3.1
Michigan	2,143	1.4	4.2	2.8	0	1.4	2.8	23.9	4.2	0	57.7	1.4	0
Wisconsin	677	0	0	12.1	0	0	3.0	18.2	3.0	0	63.6	0	0
West North Central	372	0	2.7	7.2	0	2.7	14.1	33.8	4.5	0	30.4	2.8	1.9
Minnesota	10	0	0	0	0	0	0	0	0	0	0	100.0	0
Iowa	10	0	0	0	0	0	0	100.0	0	0	0	0	0
Missouri	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	12	0	0	0	0	0	0	25.0	0	0	50.0	0	0
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0
Nebraska	63	0	3.6	11.1	0	11.1	0	11.1	0	0	44.4	0	11.1
Kansas	277	0	3.6	7.1	0	17.9	0	39.3	3.6	0	28.6	0	0

South Atlantic	7,326	4	5	5.1	0	4	3.9	22.7	2.5	0	61.7	1.7	1.1
Delaware	240	0	5.9	8.8	0	0	5.3	38.2	2.9	0	38.2	2.9	2.9
Maryland	604	0	0	29.7	0	0	0	39.0	8.1	0	31.8	0	0
District of Columbia	44	0	0	12.5	0	0	0	25.0	0	0	50.0	12.5	0
Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0
West Virginia	6,210	4	2.1	0	4	0	4.1	22.7	1.7	0	0	65.3	1.7
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0
Georgia	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	228	0	0	15.8	0	0	0	15.8	10.5	0	52.6	5.3	0
East South Central	0	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0	0
Alabama	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0	0
West South Central	725	0	0	6.7	0	0	2.2	13.3	2.2	0	71.1	4.4	0
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0
Oklahoma	725	0	0	6.7	0	0	2.2	13.3	2.2	0	71.1	4.4	0
Texas	0	0	0	0	0	0	0	0	0	0	0	0	0
Mountain	2,587	4	4.4	2.4	0	0	5.0	25.4	4.4	4	51.3	4.4	2.0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	6	0	0	0	0	0	0	0	0	0	0	100.0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado	909	0	4.7	0	0	0	9.3	20.9	7.0	0	48.8	7.0	2.3
New Mexico	15	0	0	0	0	0	0	0	0	0	100.0	0	0
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	1,655	6	4.3	3.7	0	0	2.5	28.2	3.1	6	52.2	3.1	1.8
Nevada	3	0	0	0	0	0	100.0	0	0	0	0	0	0
Pacific	23,428	2.1	3.2	8.0	0	6	24.7	22.2	4.7	0	30.6	3.0	.8
Washington	864	1.8	2.0	7.0	0	2	9.9	25.5	3.6	.5	45.4	2.9	1.1
Oregon	1,076	1.3	1.7	5.1	0	2.5	16.6	15.9	2.9	0	51.9	2.1	.4
California	20,886	2.1	3.4	8.3	0	26.4	22.3	5.0	0	28.1	3.1	.8	0
Alaska	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	602	1.7	1.7	5.0	0	1.7	.8	26.7	1.7	.8	58.3	0	1.7
Puerto Rico	68	0	0	50.0	0	0	50.0	0	0	0	0	0	0
Virgin Islands	3	0	0	33.3	0	0	0	0	0	0	33.3	0	0

TABLE 19.—ABSENT AFDC FATHERS, BY HIGHEST GRADE OF SCHOOL COMPLETED, 1967

State and census division	Total: Number Percent	Elementary school			High school			College		
		Total absent fathers	Less than 5th grade or none	5th to 7th grade	8th grade	1st to 3d year	High school graduate	1st to 3d year	College graduate	Unknown
		948,077 100,0	22,529 2.4	30,033 3.2	34,843 3.7	82,844 8.7	50,422 5.3	11,374 1.2	3,038 0.3	712,995 75.2
New England	54,993	1.0	4.7	6.0	15.1	9.2	1.7	.5	.5	61.8
Maine	4,642	.5	3.3	7.3	11.6	5.9	1.7	1.2	1.2	68.5
New Hampshire	1,208	.8	4.0	6.5	7.8	6.5	1.7	1.7	1.7	72.2
Vermont	1,620	1.2	2.5	10.0	5.7	8.0	1.7	1.2	1.2	70.6
Massachusetts	28,130	.9	6.6	7.5	21.0	14.3	2.0	.4	.4	47.4
Rhode Island	5,813	1.6	2.7	3.3	10.6	2.9	1.7	.6	.6	77.6
Connecticut	13,580	1.5	2.4	3.1	7.6	3.0	1.2	.4	.4	80.7
Middle Atlantic	236,723	1.3	2.7	2.7	7.1	3.3	.6	.3	.3	82.0
New York	156,086	1.1	2.0	1.9	4.8	2.9	.6	.3	.3	86.4
New Jersey	32,033	1.8	2.5	3.3	8.7	3.6	1.1	.4	.4	78.5
Pennsylvania	48,604	1.4	4.7	5.1	13.4	4.1	.5	.4	.4	70.3
East North Central	149,684	1.7	2.9	4.6	10.1	5.0	1.0	.3	.3	74.3
Ohio	42,905	2.4	5.6	7.7	17.1	7.5	1.4	.3	.3	57.9
Indiana	9,950	2.5	2.5	7.0	13.8	7.8	1.0	0	0	65.4
Illinois	48,642	1.5	2.0	2.8	7.0	2.5	.7	.3	.3	83.3
Michigan	37,333	1.8	1.1	1.9	4.2	3.2	.9	.5	.5	87.4
Wisconsin	10,855	1.7	2.6	7.9	13.8	9.6	1.5	.4	.4	62.4
West North Central	55,195	1.6	3.0	7.1	12.3	10.0	1.9	.4	.4	63.7
Minnesota	11,177	1.0	3.3	8.0	16.6	15.8	2.5	.7	.7	52.1
Iowa	8,879	1.0	3.2	11.7	19.1	13.7	2.5	.3	.3	48.5
Missouri	20,073	2.1	2.7	3.7	5.9	4.6	.5	.1	.1	80.4
North Dakota	1,580	2.7	4.6	13.9	10.9	9.9	3.6	.2	.2	54.3
South Dakota	2,743	1.5	1.5	8.5	7.6	7.5	2.2	.1	.1	71.0
Nebraska	4,501	1.1	2.3	6.2	14.6	10.3	1.7	.6	.6	63.1
Kansas	6,241	1.7	4.3	8.7	16.0	12.4	4.3	1.0	1.0	51.7

South Atlantic	113,861	3.6	4.2	3.1	5.7	3.1	.5	.2	79.7
Delaware	2,998	.9	2.6	3.3	8.7	3.8	1.2	.2	79.2
Maryland	20,785	.4	2.9	1.2	3.3	2.6	.2	.2	89.2
District of Columbia	4,518	1.3	3.9	4.9	8.3	2.4	.7	.1	78.3
Virginia	7,732	5.5	5.2	2.6	5.5	3.1	.6	0	77.5
West Virginia	8,981	5.1	9.4	9.4	13.4	6.6	.6	0	55.4
North Carolina	18,860	7.5	7.6	4.1	7.6	3.4	.8	0	69.0
South Carolina	3,468	10.0	8.3	6.6	7.6	1.0	0	0	66.4
Georgia	16,577	4.1	3.0	3.5	4.6	3.0	.4	.4	81.0
Florida	29,942	2.0	1.4	1.1	3.5	2.4	.5	.3	88.8
East South Central	60,379	4.2	4.4	3.2	5.5	2.5	.6	0	79.6
Kentucky	16,585	4.4	2.3	3.4	4.0	1.8	.6	0	83.5
Tennessee	16,501	4.8	7.4	5.2	10.6	4.2	1.2	0	66.7
Alabama	12,423	5.7	7.1	3.6	5.9	3.2	.3	.1	74.0
Mississippi	14,871	2.0	1.1	.5	1.1	.9	.2	0	94.1
West South Central	58,408	5.0	3.7	2.2	4.2	3.1	.8	.2	80.9
Arkansas	5,834	2.9	2.6	2.0	2.0	1.4	0	0	89.0
Louisiana	17,458	5.9	4.7	1.4	3.7	2.7	.7	.2	80.9
Oklahoma	15,518	2.2	2.8	3.0	4.5	3.9	1.2	0	82.2
Texas	19,598	6.9	3.8	2.4	5.2	3.3	.7	.3	77.4
Mountain	34,746	3.6	4.2	5.4	11.4	7.5	1.9	.4	65.6
Montana	1,818	2.5	2.2	6.8	10.4	8.5	2.5	.5	66.6
Idaho	2,529	1.5	.9	4.8	7.6	7.0	2.4	.4	75.4
Wyoming	983	1.0	3.1	6.0	6.8	7.9	1.2	0	74.0
Colorado	9,321	3.4	6.6	9.3	16.1	9.3	2.5	.2	52.6
New Mexico	6,847	3.9	5.2	3.7	7.1	5.6	1.9	0	72.5
Arizona	7,583	6.5	3.7	2.9	5.5	1.6	0	0	79.8
Utah	4,234	1.4	2.6	4.8	24.0	18.0	4.1	1.9	43.2
Nevada	1,421	.6	.9	2.6	6.3	5.2	1.3	.2	82.9
Pacific	166,327	1.6	2.2	3.3	11.7	9.1	2.6	.5	69.1
Washington	12,090	1.9	2.3	6.4	21.4	17.8	3.4	.8	46.0
Oregon	7,554	1.8	4.0	8.0	18.9	19.2	3.4	1.3	43.5
California	142,688	1.6	2.1	2.7	10.5	7.9	2.4	.4	72.3
Alaska	748	2.5	1.2	3.7	2.8	3.1	.9	.3	85.5
Hawaii	3,248	1.4	3.1	5.9	13.3	5.9	.8	.2	66.6
Puerto Rico	17,455	12.1	3.3	.6	1.0	.6	0	0	82.3
Virgin Islands	317	.9	.3	.3	.0	.6	0	0	97.8

TABLE 20.—ABSENT AFDC FATHERS, BY USUAL OCCUPATIONAL CLASS, 1967

State and census division	Professional, semipro- fessional, proprietors, absent managers, and officials fathers and officials	Clerical, sales, and kindred workers	Craftsmen, foremen, and kindred workers	Farm owners and managers	Farm tenants, renters, and share- croppers	Farm laborers	Operatives and kindred semiskilled workers	Service workers, except private household	Private household service workers	Unskilled laborers	Never held full-time employment	Unknown	
Total:													
Number .....	948,077	15,404	23,778	50,512	1,310	4,304	32,350	152,795	51,979	1,379	228,505	18,143	
Percent .....	100.0	1.6	2.5	5.3	.1	.5	3.4	16.1	5.5	.1	24.1	1.9	
New England .....	54,993	2.2	3.8	9.9	0	0	.7	24.3	4.8	.3	25.1	1.2	
Maine.....	4,642	4.0	3.6	10.7	.2	0	.7	17.3	2.8	0	32.0	1.9	
New Hampshire.....	1,208	1.7	3.8	8.1	0	0	1.5	25.5	5.6	0.2	20.0	.3	
Vermont.....	1,620	1.5	2.7	5.5	0	0	1.5	18.0	1.0	0	37.7	2.2	
Massachusetts.....	28,130	2.2	4.6	11.3	0	0	.4	27.1	5.8	.3	25.4	1.0	
Rhode Island.....	5,813	1.2	3.9	10.2	0	0	1.2	24.9	6.2	0	23.2	1.5	
Connecticut.....	13,580	2.2	2.9	7.2	0	0	1.6	21.2	3.3	.4	21.7	1.3	
Middle Atlantic.....	236,723	1.7	2.9	3.5	0	0	1.0	15.9	5.7	.2	24.0	1.6	
New York.....	156,086	1.7	2.8	3.3	0	0	.2	1.9	15.6	5.0	.2	23.0	1.7
New Jersey.....	32,033	1.9	3.0	3.5	0	0	.2	1.3	15.3	4.5	.1	21.8	1.2
Pennsylvania.....	48,604	1.4	2.9	4.2	0	0	.2	1.2	17.5	8.9	.3	26.9	1.7
East North Central.....	149,684	1.3	1.7	4.2	.1	.3	1.0	16.7	4.6	.1	26.8	1.7	
Ohio.....	42,905	1.2	1.8	4.3	.1	.2	.7	16.5	5.0	.1	26.8	1.9	
Indiana.....	9,950	1.4	1.8	5.4	.0	.2	1.2	17.7	5.2	.0	28.9	2.5	
Illinois.....	48,642	.9	1.4	3.3	.1	.5	1.6	17.3	5.4	.1	25.8	.9	
Michigan.....	37,333	1.5	2.4	4.3	.0	.3	.5	16.0	3.5	.0	27.3	2.5	
Wisconsin.....	10,855	1.9	1.5	6.4	.2	.0	.8	16.1	1.9	.2	28.2	.8	
West North Central.....	55,195	1.8	3.0	6.4	.3	.7	3.2	17.5	5.6	.2	27.9	2.3	
Minnesota.....	11,177	2.4	4.3	7.7	.6	.4	.7	18.6	5.0	.2	25.9	2.0	
Iowa.....	8,879	2.2	2.8	5.1	.0	.8	.2	18.5	2.2	.1	27.7	2.7	
Missouri.....	20,073	1.0	5.3	.3	.3	.4	1.3	17.5	8.2	.1	29.8	2.5	
North Dakota.....	1,580	1.7	7.4	10.1	1.7	1.3	7.0	16.4	4.0	.0	21.5	2.5	
South Dakota.....	2,743	2.5	4.0	9.4	.6	.4	10.5	13.2	3.6	.0	33.6	3.1	
Nebraska.....	4,501	2.3	2.3	6.2	.3	.1	1.7	15.4	4.4	.0	24.7	1.9	
Kansas.....	6,241	1.4	2.5	7.3	.2	.5	2.4	18.1	4.9	.2	27.1	2.4	
South Atlantic.....	113,861	.7	1.2	4.7	.1	.6	3.7	11.6	4.8	.2	23.4	1.4	
Delaware.....	2,998	1.2	.9	7.1	0	.2	1.4	13.4	3.3	0	24.5	1.9	
Maryland.....	20,785	.4	.8	3.0	0	.2	.4	9.9	3.8	.2	15.0	.9	

District of Columbia		1.7	3.1	5.4	0	0	.6	.2	11.2	20.0	.2	28.2	1.0	29.0
Virginia		7,732	1.7	5.0	.2	.6	.2	.6	12.3	3.5	.2	29.7	1.3	42.0
West Virginia		8,981	.9	3.4	6.6	0	0	.3	14.3	4.0	0	26.0	2.3	41.7
North Carolina		18,860	.3	.5	3.9	.1	1.6	.7	11.6	2.8	.1	25.1	1.7	47.4
South Carolina		3,468	0	.3	3.5	0	2.1	8.3	12.5	3.1	0	23.9	.7	45.7
Georgia		16,577	.6	1.2	5.4	.2	1.0	4.0	11.6	5.6	.4	24.7	2.0	43.3
Florida		29,942	1.2	1.0	5.2	0	.3	6.7	11.6	5.0	.2	24.2	1.2	43.4
East South Central		60,379	.4	.7	3.6	.5	2.5	6.6	11.8	4.8	.1	24.8	2.9	41.3
Kentucky		16,585	.6	.8	3.2	.6	1.5	4.4	11.9	5.0	.3	23.5	5.3	42.7
Tennessee		16,501	.2	1.4	5.0	0	1.2	5.0	15.3	6.2	.2	27.7	3.4	34.5
Alabama		12,423	.6	.5	4.5	.5	2.8	4.8	12.4	5.0	0	26.2	1.3	41.1
Mississippi		14,871	.2	0	1.6	.9	4.8	12.5	7.3	2.9	0	21.8	.9	47.2
West South Central		58,408	1.3	2.0	5.9	.3	.8	6.5	13.1	6.4	.2	29.9	2.3	31.3
Arkansas		5,834	.6	.3	3.8	0	2.3	10.1	4.3	3.8	0	17.4	2.0	55.4
Louisiana		17,458	1.0	1.6	4.0	.6	1.1	5.4	13.0	5.5	.3	37.9	1.8	28.7
Oklahoma		15,518	1.4	2.9	8.8	.3	.6	3.5	14.2	7.6	.1	24.1	3.8	32.7
Texas		19,598	1.6	2.1	5.9	0	.2	8.9	14.9	7.1	.3	31.2	2.4	25.4
Mountain		34,736	2.1	2.3	6.7	.1	.2	8.9	15.3	5.9	0	25.5	2.4	30.5
Montana		1,818	2.2	4.7	.5	.5	.8	5.2	14.5	3.6	0	26.8	4.1	32.3
Idaho		2,529	2.6	2.8	8.1	.4	.4	4.4	17.9	3.2	0	25.1	1.3	32.5
Wyoming		983	1.9	1.9	7.0	.2	.2	3.9	17.1	2.7	.2	24.6	.6	39.7
Colorado		3,321	2.3	2.5	6.8	0	.2	7.6	15.4	6.3	0	24.5	2.3	32.0
New Mexico		6,847	1.9	1.3	5.0	0	0	6.3	11.7	5.2	0	29.4	4.8	34.4
Arizona		7,583	1.3	.8	6.0	0	0	20.5	14.2	6.8	0	25.9	1.3	33.1
Utah		4,234	3.4	4.6	9.6	.5	.2	1.7	21.3	4.3	0	22.8	1.7	30.1
Nevada		1,421	2.1	3.0	8.4	.2	.6	3.5	14.4	15.9	.2	19.6	1.1	30.8
Pacific		166,327	2.8	3.9	7.9	.2	.2	5.3	19.5	6.7	0	19.8	2.4	31.3
Washington		12,090	2.8	4.6	9.5	.3	0	5.4	23.7	4.4	0	21.5	1.4	26.3
Oregon		7,554	2.5	3.8	5.9	.3	.3	3.5	24.2	3.1	0	22.8	1.8	31.9
California		142,688	2.9	3.9	7.9	.2	.2	5.4	19.1	7.2	.1	19.4	2.6	31.3
Alaska		3,748	1.8	2.0	6.5	0	0	6.1	10.8	2.8	0	20.3	1.8	54.5
Hawaii		3,248	1.7	2.0	7.6	.2	.3	2.3	13.3	5.1	0	24.0	1.1	42.5
Puerto Rico		17,455	.8	1.9	3.7	.2	.2	14.2	7.6	2.7	0	7.4	1.6	59.7
Virgin Islands		317	.6	0	1.3	.0	0	0	7.6	2.5	0	11.4	.9	75.7

TABLE 21.—AFDC FAMILIES, BY WHEREABOUTS, EMPLOYMENT, AND REASON FOR NONEMPLOYMENT OF THE MOTHER, 1967

State and census division	Total families	Mother in the home			Mother not employed		
		Mother employed		Total	No marketable skills, or suitable employment not available	Needed in home full-time as homemaker	Other status
		Full-time	Part-time				
Total:	1,278,154	1,169,323	84,062	90,615	994,647	173,384	493,981
Number	100.0	91.5	6.6	7.1	77.8	13.6	38.6
Percent					11.5		6.0
New England	68,683	95.4	4.5	7.7	83.3	10.3	8.2
Maine	5,874	91.2	14.2	13.3	63.7	10.1	6.4
New Hampshire	1,402	91.6	12.8	7.8	70.9	22.8	7.7
Vermont	2,105	92.7	9.6	7.9	75.2	17.1	10.9
Massachusetts	35,936	96.6	2.9	9.5	84.2	8.3	6.8
Rhode Island	7,501	96.9	2.9	2.3	91.8	15.9	8.8
Connecticut	15,844	95.4	3.7	4.1	86.7	10.3	11.2
Middle Atlantic	299,953	94.3	3.8	3.1	87.4	10.6	5.8
New York	196,125	94.8	3.8	2.4	88.7	8.2	4.6
New Jersey	36,174	94.0	6.1	5.0	82.9	11.1	6.7
Pennsylvania	67,634	92.9	2.7	4.2	86.1	17.2	9.1
East North Central	182,614	93.6	5.9	5.6	82.1	12.6	11.8
Ohio	53,476	94.3	3.0	4.4	86.9	11.7	12.3
Indiana	12,171	92.9	16.7	12.4	63.8	12.7	12.1
Illinois	57,901	94.0	6.9	3.7	83.4	13.8	8.7
Michigan	44,455	92.7	5.0	7.3	80.4	12.8	14.4
Wisconsin	14,610	92.1	5.8	6.3	80.1	10.8	14.2
West North Central	74,939	92.2	12.2	8.1	71.8	9.9	11.8
Minnesota	15,928	95.0	5.4	5.7	83.9	8.8	12.6
Iowa	11,795	92.3	5.3	9.6	73.4	9.2	8.6
Missouri	26,728	91.3	19.5	10.1	61.8	9.1	12.0

North Dakota	2,312	91.0	7.4	5.3	78.3	11.5	15.8	32.3	6.8	12.0
South Dakota	3,706	85.7	4.9	5.0	75.9	8.1	14.0	35.8	4.0	13.9
Nebraska	5,509	91.7	19.4	11.4	60.9	12.2	13.1	24.7	4.3	6.6
Kansas	8,960	92.6	6.2	4.5	81.9	14.2	11.1	36.0	6.0	14.6
South Atlantic	163,008	85.5	9.6	11.0	64.8	15.2	10.2	25.3	6.6	7.5
Delaware	3,818	93.0	8.5	10.0	74.4	13.7	11.9	33.0	8.3	7.6
Maryland	26,442	88.6	3.8	3.1	81.8	12.5	6.6	29.6	7.6	25.5
District of Columbia	5,341	89.7	.5	1.7	87.4	23.8	7.6	48.0	3.7	4.5
Virginia	10,153	88.4	5.8	10.5	72.1	15.1	12.3	36.3	6.3	2.0
West Virginia	20,886	91.2	6.6	1.6	88.9	10.3	17.3	49.9	3.9	7.5
North Carolina	26,098	84.6	5.3	13.2	66.2	19.8	12.5	20.8	7.9	5.2
South Carolina	6,996	80.6	5.0	14.1	61.6	23.0	11.7	17.3	5.7	3.9
Georgia	25,940	82.3	13.9	12.7	55.7	14.8	9.3	26.1	4.5	1.0
Florida	37,333	81.7	22.2	20.3	39.2	14.3	7.2	5.7	8.4	3.5
East South Central	92,146	87.1	8.5	12.9	65.7	15.9	15.3	23.0	5.6	5.9
Kentucky	26,804	90.1	2.4	5.5	82.2	13.4	24.3	31.4	4.5	8.7
Tennessee	23,535	88.5	8.7	12.8	67.0	17.3	14.9	23.0	5.7	6.0
Alabama	18,136	83.2	9.7	17.5	55.9	19.4	9.4	15.8	7.4	4.0
Mississippi	23,671	85.3	14.2	17.9	53.1	14.7	10.1	19.1	5.3	4.7
West South Central	85,058	90.1	10.8	13.2	66.1	17.9	12.2	22.7	6.5	6.8
Arkansas	9,233	87.2	5.1	19.6	62.5	15.0	17.9	18.3	4.6	6.6
Oklahoma	27,155	87.1	8.4	14.9	63.8	21.3	11.3	23.8	4.0	3.4
Louisiana	22,316	89.8	5.5	7.1	77.2	13.5	11.4	32.3	6.4	13.7
Texas	26,354	94.6	19.7	14.4	60.5	19.2	11.7	15.1	9.7	4.7
Mountain	48,636	93.0	3.5	5.6	83.9	12.2	17.9	35.5	6.8	11.5
Montana	2,495	90.6	3.6	3.2	83.8	12.2	20.0	30.3	7.0	14.4
Idaho	3,047	96.9	2.2	5.1	89.7	13.6	26.8	29.7	7.6	12.1
Wyoming	1,220	92.3	6.5	10.3	75.5	12.5	21.3	25.5	5.5	10.8
Colorado	13,951	95.0	3.5	6.5	85.0	10.2	16.7	37.0	7.1	14.1
New Mexico	9,396	91.5	3.0	4.1	84.4	14.2	14.5	42.6	4.4	8.7
Arizona	10,208	90.5	1.9	6.4	82.2	14.8	19.0	32.4	7.8	8.2
Utah	6,672	94.7	3.7	4.7	86.3	9.0	19.6	37.7	7.2	12.8
Nevada	1,648	90.7	15.8	6.7	68.2	13.4	11.7	19.3	8.7	15.0
Pacific	225,269	92.3	6.4	5.7	80.2	16.7	18.7	28.1	7.2	9.4
Washington	15,867	91.6	2.5	3.2	85.9	19.7	18.9	29.7	6.9	10.8
Oregon	10,206	93.1	3.7	5.3	84.1	14.0	21.4	29.5	7.8	11.4
California	193,331	92.5	7.0	6.0	79.5	16.7	18.8	27.4	7.2	9.3
Alaska	1,217	86.6	8.9	10.6	67.1	8.3	27.0	18.1	6.2	7.4
Hawaii	4,648	87.6	1.5	3.8	82.3	13.9	8.2	50.8	4.2	5.2
Puerto Rico	37,456	83.3	2.3	8.1	73.0	15.1	3.4	49.9	2.5	2.2
Virgin Islands	393	86.3	2.0	3.8	80.4	19.8	6.1	45.8	4.6	4.1

TABLE 21.—AFDC FAMILIES, BY WHEREABOUTS, EMPLOYMENT, AND REASON FOR NONEMPLOYMENT OF THE MOTHER, 1967—Continued

State and census division	Total families	Mother not in the home				
		Dead	Deserted	In mental institution	In other medical institution	Absent for another reason
Total:						
Number-----	1,278,154	34,154	41,038	4,962	1,972	26,706
Percent-----	100.0	2.7	3.2	.4	.2	2.1
New England-----	68,683	1.2	1.6	.4	.2	1.2
Maine-----	5,874	2.4	4.1	.2	0	2.1
New Hampshire-----	1,402	1.9	3.4	.3	.6	2.3
Vermont-----	2,105	1.5	2.7	.6	.2	2.3
Massachusetts-----	35,956	1.0	.9	.5	.2	.9
Rhode Island-----	7,501	.6	.6	.3	.2	1.3
Connecticut-----	15,844	1.6	2.3	.3	.1	1.3
Middle Atlantic-----	299,953	1.8	2.2	.3	.2	1.2
New York-----	196,125	1.5	2.1	.2	.2	1.1
New Jersey-----	36,174	2.1	1.9	.6	.1	1.2
Pennsylvania-----	67,654	2.3	2.7	.5	.2	1.4
East North Central-----	182,614	1.9	2.5	.3	.1	1.6
Ohio-----	53,476	1.3	2.2	.3	.1	1.8
Indiana-----	12,171	2.5	2.4	.5	.3	1.4
Illinois-----	57,901	2.0	3.0	.2	.2	.6
Michigan-----	44,455	2.2	2.4	.3	0.	2.4
Wisconsin-----	14,610	2.5	2.4	.4	.1	2.4
West North Central-----	74,919	2.2	3.2	.4	.1	1.9
Minnesota-----	15,928	1.5	1.5	.1	.2	1.8
Iowa-----	11,795	2.2	2.7	.3	0.	2.5
Missouri-----	26,728	2.7	4.3	.6	.2	.9
North Dakota-----	2,312	2.1	2.2	.3	.4	4.0
South Dakota-----	3,706	3.3	7.6	0	.2	3.1
Nebraska-----	5,509	2.0	2.9	.5	.4	2.4
Kansas-----	8,960	1.5	2.5	.6	0	2.8
South Atlantic-----	163,008	4.9	5.0	.6	.1	3.9
Delaware-----	3,818	1.7	2.8	.2	.4	2.0
Maryland-----	26,442	2.4	4.3	.4	.2	4.0
District of Columbia-----	5,341	4.3	4.0	.5	.1	1.4
Virginia-----	10,153	4.2	3.1	.3	.1	3.9
West Virginia-----	20,886	2.2	3.2	.2	0	3.2
North Carolina-----	26,098	6.3	4.0	.4	.2	4.5
South Carolina-----	6,996	9.1	4.3	1.7	.3	3.9
Georgia-----	25,940	8.4	6.1	1.0	0	2.3
Florida-----	37,333	4.6	7.5	.6	.1	5.5
East South Central-----	92,146	5.0	4.6	.6	.1	2.5
Kentucky-----	26,804	2.7	4.6	0	.1	2.5
Tennessee-----	23,535	3.1	4.1	.4	.1	3.8
Alabama-----	18,136	8.3	5.3	.9	.2	2.1
Mississippi-----	23,671	7.0	4.7	1.3	.1	1.6
West South Central-----	85,058	4.3	3.4	.3	.3	1.6
Arkansas-----	9,233	6.4	4.4	.7	.4	.9
Louisiana-----	27,155	6.4	4.2	.1	.4	1.8
Oklahoma-----	22,316	3.0	4.1	.2	.2	2.6
Texas-----	26,354	2.4	1.5	.5	.3	.7
Mountain-----	48,636	2.6	2.3	.3	.1	1.8
Montana-----	2,495	2.2	3.6	.6	.2	2.8
Idaho-----	3,047	.9	1.6	.4	0	.2
Wyoming-----	1,220	1.8	2.0	.5	0	3.3
Colorado-----	13,951	1.2	2.0	.3	0	1.5
New Mexico-----	9,396	3.6	2.1	.2	0	2.7
Arizona-----	10,208	4.8	2.9	0	.2	1.5
Utah-----	6,672	1.8	1.5	.5	0	1.5
Nevada-----	1,648	1.7	5.0	.2	.2	2.2
Pacific-----	225,269	1.6	2.7	.3	.1	3.0
Washington-----	15,867	1.8	2.6	.2	.2	3.6
Oregon-----	10,206	.9	2.2	.2	.1	3.4
California-----	193,331	1.5	2.7	.4	.1	2.8
Alaska-----	1,217	6.8	4.3	.4	.6	1.3
Hawaii-----	4,648	3.1	1.8	.2	.1	7.1
Puerto Rico-----	37,456	4.8	10.1	.5	.2	1.2
Virgin Islands-----	393	3.3	5.9	0	0	4.6

TABLE 22.—AFDC FAMILIES, BY WHETHER MOTHER EVER LIVED OUTSIDE STATE AND, IF SO, YEAR OF LAST MOVE INTO STATE, 1967

State and census division	Total families	Mother never lived outside State	Mother has lived outside State—year of last move into State					
			Total	1967	1966	1965	1963-64	1960-62
Total:								
Number.....	1,278,213	648,618	598,201	18,932	29,842	29,706	52,443	69,182
Percent.....	100.0	50.7	46.8	1.5	2.3	2.3	4.1	5.4
New England.....	68,683	56.2	41.8	1.6	3.4	2.6	4.9	6.0
Maine.....	5,874	66.1	30.0	2.8	3.7	1.3	2.6	4.5
New Hampshire.....	1,402	49.6	45.5	1.1	2.7	3.0	3.9	5.8
Vermont.....	2,105	61.2	36.5	3.8	4.8	2.1	4.8	3.8
Massachusetts.....	35,956	64.2	35.5	.6	3.3	1.9	4.5	5.4
Rhode Island.....	7,501	64.6	35.0	1.1	1.3	2.7	4.7	2.9
Connecticut.....	15,845	30.2	64.0	3.3	4.2	4.5	7.1	9.7
Middle Atlantic.....	300,028	40.5	57.7	2.0	2.6	2.5	4.8	7.1
New York.....	196,200	33.2	65.4	2.5	3.0	3.0	5.3	8.0
New Jersey.....	36,175	37.7	59.6	1.3	2.2	2.3	6.3	8.8
Pennsylvania.....	67,654	63.1	34.6	1.1	1.6	1.3	2.7	3.6
East North Central.....	182,614	41.1	56.8	.9	1.8	2.5	4.2	5.1
Ohio.....	53,476	45.8	52.4	.8	1.8	1.9	4.0	3.8
Indiana.....	12,171	37.3	54.1	.6	1.3	2.9	3.8	3.8
Illinois.....	57,902	33.1	65.2	.6	1.8	2.9	4.6	6.4
Michigan.....	44,455	43.2	55.5	1.4	1.9	2.6	3.5	4.7
Wisconsin.....	14,610	51.8	46.2	.7	1.8	2.2	5.1	6.3
West North Central.....	74,937	55.3	41.8	1.8	2.2	2.5	4.2	4.5
Minnesota.....	15,927	60.3	35.3	1.8	1.8	2.0	3.9	3.9
Iowa.....	11,795	62.3	35.5	1.4	2.0	2.3	3.8	3.7
Missouri.....	26,728	53.7	43.0	.6	1.7	2.4	3.4	4.0
North Dakota.....	2,312	61.7	37.2	7.9	3.8	3.0	5.1	3.0
South Dakota.....	3,706	62.1	36.8	3.2	3.7	2.4	5.0	5.1
Nebraska.....	5,509	46.8	51.3	3.0	3.3	3.2	5.1	6.5
Kansas.....	8,960	42.9	55.1	2.8	3.0	3.6	6.1	6.6
South Atlantic.....	163,003	64.3	30.1	1.2	1.7	1.4	2.5	3.5
Delaware.....	3,818	47.8	49.8	1.9	2.0	2.2	3.0	6.9
Maryland.....	26,442	51.9	29.5	1.0	1.5	.9	2.1	4.1
District of Columbia.....	5,341	47.1	49.4	.1	1.9	1.1	3.2	6.0
Virginia.....	10,153	67.0	31.8	1.0	1.0	2.0	2.8	3.9
West Virginia.....	20,886	74.0	22.7	2.0	3.3	1.5	2.2	2.9
North Carolina.....	26,095	78.6	17.4	1.0	1.2	1.2	2.2	2.5
South Carolina.....	6,996	81.5	14.9	.7	.9	1.5	2.4	1.5
Georgia.....	25,939	80.4	16.9	1.7	1.9	.7	1.4	1.5
Florida.....	37,333	46.9	50.4	1.2	1.7	2.3	3.6	5.2
East South Central.....	92,143	77.3	19.7	1.2	1.6	1.2	1.8	1.7
Kentucky.....	26,804	75.3	20.5	1.5	1.9	1.7	1.7	2.0
Tennessee.....	23,534	70.5	28.5	1.1	1.5	.7	2.7	2.2
Alabama.....	18,134	78.9	17.6	1.3	1.9	1.8	2.0	1.6
Mississippi.....	23,671	84.9	11.8	.9	1.0	.9	1.0	1.0
West South Central.....	85,053	75.7	23.1	.4	1.6	1.5	2.2	2.9
Arkansas.....	9,232	71.6	27.8	.9	2.9	1.8	2.2	2.9
Louisiana.....	27,154	85.7	12.9	.2	1.0	.9	1.1	1.4
Oklahoma.....	22,316	66.0	32.4	.3	1.8	2.4	3.5	4.6
Texas.....	26,351	74.8	24.0	.4	1.5	1.3	2.0	3.1
Mountain.....	48,635	49.3	47.6	3.6	3.1	2.6	5.1	6.1
Montana.....	2,495	53.9	34.5	6.4	3.6	1.8	4.2	4.2
Idaho.....	3,047	34.9	60.0	6.9	6.3	5.1	7.2	6.7
Wyoming.....	1,220	30.8	65.1	5.7	4.7	3.3	5.7	6.7
Colorado.....	13,951	41.5	56.7	4.4	3.3	3.5	6.4	7.6
New Mexico.....	9,395	65.6	29.8	2.2	2.2	1.9	3.9	2.8
Arizona.....	10,208	51.6	47.2	1.9	1.4	1.8	4.1	7.4
Utah.....	6,672	55.7	41.7	3.5	3.7	1.4	3.7	3.8
Nevada.....	1,648	15.9	82.2	3.6	6.0	5.0	11.5	14.1
Pacific.....	225,270	31.9	66.2	1.5	3.3	3.4	6.0	8.1
Washington.....	15,867	33.7	64.5	2.0	5.8	4.1	5.5	7.5
Oregon.....	10,206	28.9	66.4	2.4	5.3	5.2	7.3	7.9
California.....	193,332	30.8	67.8	1.4	3.1	3.3	6.1	8.2
Alaska.....	1,217	73.0	24.6	2.3	2.1	2.6	3.6	3.2
Hawaii.....	4,648	66.8	17.3	2.2	2.4	1.6	1.3	3.6
Puerto Rico.....	37,455	94.9	4.9	.7	.4	.5	.8	.6
Virgin Islands.....	393	49.9	46.6	.3	1.5	.8	1.3	3.6

TABLE 22.—AFDC FAMILIES, BY WHETHER MOTHER EVER LIVED OUTSIDE STATE AND, IF SO, YEAR OF LAST MOVE INTO STATE, 1967—Continued

State and census division	Total families	Mother has lived outside State—year of last move into State					Unknown whether mother ever lived outside State
		1955-59	1950-54	1940-49	Before 1940	Unknown	
Total:							
Number.....	1,278,213	105,375	79,496	81,495	25,459	106,271	31,395
Percent.....	100.0	8.2	6.2	6.4	2.0	8.3	2.5
New England.....	68,683	7.3	4.1	3.6	.9	7.4	2.0
Maine.....	5,874	3.9	4.5	2.1	1.3	3.2	3.9
New Hampshire.....	1,402	6.1	3.4	2.0	1.4	17.0	3.9
Vermont.....	2,105	5.0	2.3	1.7	.8	7.3	2.3
Massachusetts.....	35,956	6.7	3.8	3.4	.7	5.4	.3
Rhode Island.....	7,501	5.0	3.1	3.1	1.3	10.0	
Connecticut.....	15,845	11.5	5.5	5.5	1.2	11.6	5.8
Middle Atlantic.....	300,028	10.1	7.0	5.7	1.1	14.8	1.8
New York.....	196,200	11.6	8.2	6.5	1.1	16.2	1.4
New Jersey.....	36,175	12.5	7.6	6.7	2.1	9.9	2.7
Pennsylvania.....	67,654	4.5	3.1	2.8	.7	13.1	2.3
East North Central.....	182,614	10.4	9.9	10.5	3.0	8.7	2.1
Ohio.....	53,476	8.4	9.0	10.3	2.8	9.6	1.8
Indiana.....	12,171	8.6	9.4	7.8	4.0	12.1	8.6
Illinois.....	57,902	14.7	12.3	13.4	4.3	4.1	1.7
Michigan.....	44,455	7.7	8.6	9.7	2.0	13.4	1.4
Wisconsin.....	14,610	10.0	7.9	4.4	.8	7.0	2.0
West North Central.....	74,937	7.5	5.1	4.7	1.9	7.4	2.9
Minnesota.....	15,927	5.2	3.6	2.7	1.7	8.7	4.4
Iowa.....	11,795	4.9	3.6	2.4	1.3	10.2	2.2
Missouri.....	26,728	9.7	7.1	7.3	2.4	4.3	3.3
North Dakota.....	2,312	3.9	2.6	2.0	1.2	4.8	1.0
South Dakota.....	3,706	4.2	2.9	4.1	1.8	4.5	1.1
Nebraska.....	5,509	8.9	4.3	3.7	2.0	11.3	1.9
Kansas.....	8,960	9.9	6.1	5.1	1.4	10.5	2.0
South Atlantic.....	163,003	5.1	3.4	3.6	1.7	5.9	5.5
Delaware.....	3,818	10.0	7.2	5.9	2.0	8.7	2.4
Maryland.....	26,442	4.0	3.7	2.7	.7	9.0	18.6
District of Columbia.....	5,341	8.2	7.6	10.2	5.6	6.5	3.5
Virginia.....	10,153	5.8	4.2	3.8	2.0	5.5	1.1
West Virginia.....	20,886	1.8	1.2	2.2	1.8	3.7	3.3
North Carolina.....	26,095	2.5	1.9	2.0	.9	2.0	4.0
South Carolina.....	6,996	2.2	1.7	2.9	1.0	0	3.6
Georgia.....	25,939	3.3	1.1	1.3	.6	3.3	2.7
Florida.....	37,333	10.2	6.4	6.9	2.9	10.1	2.7
East South Central.....	92,143	2.8	1.9	1.4	1.2	4.8	3.0
Kentucky.....	26,804	3.0	1.4	1.5	1.0	4.8	4.2
Tennessee.....	23,534	3.8	3.6	2.4	2.0	8.5	1.0
Alabama.....	18,134	2.7	1.3	.8	.6	3.5	3.5
Mississippi.....	23,671	1.9	1.0	.9	1.3	2.1	3.3
West South Central.....	85,053	4.0	3.0	2.5	2.5	2.5	1.3
Arkansas.....	9,232	2.9	4.2	2.9	5.7	1.3	.5
Louisiana.....	27,154	2.9	1.6	1.4	1.0	1.3	1.4
Oklahoma.....	22,316	6.8	3.8	3.4	3.5	2.2	1.6
Texas.....	26,351	3.3	3.3	2.7	2.1	4.3	1.2
Mountain.....	48,635	8.3	5.6	5.6	2.4	5.2	3.1
Montana.....	2,495	5.2	4.8	3.0	1.4	0	11.6
Idaho.....	3,047	5.6	2.4	4.2	.9	14.8	5.1
Wyoming.....	1,220	8.0	9.0	10.3	3.3	8.5	4.2
Colorado.....	13,951	9.9	5.6	7.4	4.7	3.9	1.8
New Mexico.....	9,395	5.8	3.8	3.2	.9	3.0	4.6
Arizona.....	10,208	10.3	8.0	6.1	2.5	3.7	1.2
Utah.....	6,672	5.3	4.1	5.2	.8	10.3	2.6
Nevada.....	1,648	17.4	12.8	6.1	.9	4.8	1.9
Pacific.....	225,270	11.9	9.4	12.0	3.3	7.2	1.9
Washington.....	15,867	10.0	8.4	10.9	3.1	7.3	1.8
Oregon.....	10,206	7.7	5.1	8.2	1.7	15.5	4.7
California.....	193,332	12.6	10.0	12.7	3.5	6.9	1.4
Alaska.....	1,217	2.8	1.1	.8	0	6.0	2.5
Hawaii.....	4,648	1.5	1.0	.1	.2	3.5	15.9
Puerto Rico.....	37,455	.6	.4	0	0	.8	
Virgin Islands.....	393	3.1	3.1	3.8	.8	28.5	3.6

TABLE 23.—AFDC FAMILIES, BY PARTICIPATION IN DEPARTMENT OF AGRICULTURE FOOD DISTRIBUTION PROGRAM, 1967

State and census division	Food stamp plan in effect						Donated food plan in effect			Unknown whether family participates	No food distribution plan in effect		
	Total families	Family participates	Family does not participate	Unknown whether family participates		Family participates	Family does not participate	Total					
				Percent	Total								
Total:	1,277,970	550,904	282,271	236,407	32,226	727,065	314,646	116,205	101,809	194,406	15.2		
Percent:	100.0	43.1	22.1	18.5	2.5	56.9	24.6	9.1	8.0				
New England	68,685	22.3	16.1	4.3	1.9	77.7	15.0	11.4	11.8	39.5			
Maine	5,874	10.5	5.8	4.3	.4	89.5	26.8	10.1	15.0	37.6			
New Hampshire	1,402	2.6	1.1	1.9	.6	97.4	13.8	28.1	41.8	13.7			
Vermont	2,105	26.7	16.1	9.4	1.2	73.3	16.7	13.8	20.2	22.6			
Massachusetts	35,958	0.0	0	0	0	100.0	20.8	16.2	16.1	46.9			
Rhode Island	7,501	69.6	46.9	17.7	5.0	30.4	7.2	8.7	1.6	12.9			
Connecticut	15,845	56.1	43.2	7.2	5.7	43.9	.9	.4	1.8	40.8			
Middle Atlantic	299,830	29.0	16.6	11.2	1.3	71.0	32.6	8.6	23.9	5.8			
New York	195,997	8.5	5.6	1.6	1.2	91.5	47.9	10.8	30.0	2.9			
New Jersey	36,176	35.9	13.7	18.7	3.5	64.1	.8	5.9	25.9	31.6			
Pennsylvania	67,636	84.9	49.8	34.7	.4	15.1	5.4	3.6	5.3	.7			
East North Central	182,619	79.2	44.0	27.4	7.8	20.8	12.3	3.8	2.1	2.5			
Ohio	53,479	87.0	67.6	12.9	6.5	13.0	6.6	1.9	.4	4.1			
Indiana	12,172	55.1	23.8	30.6	.6	44.9	18.6	14.3	7.9	4.1			
Illinois	57,903	90.7	44.9	40.7	5.1	9.3	5.5	1.4	7.7	1.7			
Michigan	44,455	69.2	24.0	28.6	16.7	30.8	21.9	5.2	3.0	.7			
Wisconsin	14,610	55.8	31.6	21.5	2.7	44.2	26.1	6.9	6.7	4.5			
West North Central	74,940	45.9	19.5	23.8	2.6	54.1	22.6	8.3	4.5	18.7			
Minnesota	15,929	80.5	36.3	38.0	6.2	19.5	5.2	3.2	2.3	8.9			
Iowa	11,795	53.6	24.6	27.8	1.2	46.4	26.9	5.9	9.2	4.4			
Missouri	26,729	37.8	11.3	24.1	2.4	62.2	25.1	12.0	4.3	20.9			
North Dakota	2,312	6.8	3.8	2.0	1.0	93.2	46.7	14.1	5.6	26.8			
South Dakota	3,706	2.2	1.5	2.2	.4	97.8	53.4	9.2	6.0	29.2			
Nebraska	5,509	72.8	42.9	27.2	2.7	27.2	2.5	1.3	.4	23.0			
Kansas	8,960	10.4	4.2	5.8	.3	89.6	33.4	11.9	4.6	39.6			

TABLE 23.—AFDC FAMILIES, BY PARTICIPATION IN DEPARTMENT OF AGRICULTURE FOOD DISTRIBUTION PROGRAM, 1967—Continued

State and census division	Food stamp plan in effect				Donated food plan in effect			
	Total families		Family participates	Family does not participate	Unknown whether family participates	Family participates		Unknown whether family participates
	Total	families	Total		Total		Total	
South Atlantic-----	162,997	39,9	23,4	15,6	.9	60,1	24,9	10,2
Delaware-----	3,818	.9	7	0	.2	99,1	75,6	4,8
Maryland-----	26,443	86,3	41,6	43,2	1,5	13,7	6	5
District of Columbia-----	5,341	94,2	59,1	27,8	7,3	5,8	3	5
Virginia-----	10,139	29,1	13,3	14,6	1,1	70,9	4,1	1,8
West Virginia-----	20,887	94,1	73,7	18,8	1,6	5,9	3,2	1,0
North Carolina-----	26,098	28,1	13,8	13,8	.5	71,9	43,0	17,1
South Carolina-----	6,996	22,5	12,2	9,9	.3	77,5	0	0
Georgia-----	25,941	19,2	9,3	9,7	.2	80,8	40,3	13,1
Florida-----	37,334	1,8	1,1	.6	.1	98,2	39,7	21,6
East South Central-----	92,146	53,9	28,1	21,4	4,4	46,1	21,9	5,4
Kentucky-----	26,804	69,5	34,9	33,0	1,5	30,5	11,7	9,6
Tennessee-----	23,535	59,8	23,3	24,2	12,3	40,2	6,4	6,4
Alabama-----	18,137	22,2	13,1	8,7	4	77,8	37,3	5,5
Mississippi-----	23,671	54,6	36,5	15,2	2,8	45,4	37,2	2,6
West South Central-----	85,060	20,2	9,1	10,9	.2	79,8	38,7	13,5
Arkansas-----	9,233	57,3	30,0	27,1	.2	42,7	31,5	7,3
Louisiana-----	27,156	33,0	12,9	19,8	.0	67,0	2,7	4,5
Oklahoma-----	22,316	2,0	1,4	.6	.0	98,0	82,0	14,7
Texas-----	26,355	9,4	4,3	4,8	.3	90,6	41,5	23,9

Mountain-----	48,637	43.4	23.3	19.2	.9	56.6	34.2	10.7	3.4	8.2
Montana-----	2,495	24.6	19.4	4.0	1.2	75.4	21.4	3.4	5.0	45.7
Idaho-----	3,047	0	19.0	0	0	100.0	19.9	4.5	1.3	74.3
Wyoming-----	1,220	93.3	54.9	33.9	4.5	6.7	1.0	1.5	1.5	2.7
Colorado-----	13,851	88.0	44.8	41.1	2.1	12.0	6.8	3.2	.8	1.2
New Mexico-----	9,396	45.1	28.1	16.7	.3	54.9	46.4	6.8	1.4	.3
Arizona-----	10,208	0	19.0	0	0	100.0	64.2	27.0	8.9	0
Utah-----	6,672	42.3	19.5	22.4	.5	57.7	49.4	6.2	1.8	.2
Nevada-----	1,648	2.0	.6	1.1	.4	98.0	20.1	43.8	13.5	20.6
Pacific-----	225,240	51.5	19.1	30.4	2.0	48.5	8.7	13.8	1.2	24.8
Washington-----	15,867	49.7	35.0	12.5	2.1	50.3	42.7	5.6	1.4	.6
Oregon-----	10,196	40.9	25.2	7.6	8.1	59.1	41.5	6.2	9.9	1.6
California-----	193,311	51.4	16.9	33.0	1.5	48.6	4.4	15.3	.8	28.1
Alaska-----	1,217	4.5	4.2	4.4	0	95.5	.6	0	.2	94.7
Hawaii-----	4,649	100.0	47.3	41.8	10.9	0	0	0	0	0
Puerto Rico-----	37,324	1.1	1.1	0	0	98.9	98.3	.3	0	.4
Virgin Islands-----	393	5.6	5.6	0	0	94.4	92.1	1.3	.8	.3

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, SOCIAL AND REHABILITATION SERVICE, NATIONAL CENTER FOR SOCIAL STATISTICS, OCTOBER 1968

PRELIMINARY REPORT OF FINDINGS—1967 AFDC STUDY

This preliminary report is based upon unedited data from the 1967 AFDC Study for all States and jurisdictions except Guam. Comparable data from the 1961 AFDC Study are shown where available, although the 1961 data did not include Massachusetts, Oregon, or Guam.

Both the 1961 and 1967 AFDC studies were sample surveys, and findings are inflated to represent all recipients during the study month.

HIGHLIGHTS

*1. Between 1961 and 1967:*

(a) A small increase in the proportion of AFDC families who are Negro has resulted in a national AFDC caseload which is now close to being equally divided between whites and nonwhites.

(b) Metropolitan area residence increased from less than 6 in 10 to more than 7 in 10, and the proportion of AFDC families living in cities of 250,000 or more went from about 3 in 10 to 4 in 10.

(c) Rental of housing units increased from 69.9 percent in 1961 to 78 percent in 1967, and there were decreases in both home ownership and rent-free occupancy among AFDC families.

(d) Families with fathers absent from the home increased from two-thirds to almost three-fourths. During this period there was an increase from 21.3 percent to 26.8 percent in fathers not married to the mother.

(e) There was little change in overall employment of mothers, but there was a small increase in mothers employed full time. In 1967, 6.6 percent of the mothers worked full time and 7.1 percent worked part time.

(f) There were small increases in the proportions of children having known visual defects and dental impairments.

(g) The proportion of families receiving money payments of \$200 or above more than doubled, and there was a small increase in receipt of OASDI benefits. During the period December 1961 to December 1967, the average AFDC money payment per recipient rose 21.8 percent, while the Consumer Price Index increased by 13.1 percent.

(h) Families who had received AFDC before the most recent opening of their case increased from 33.4 percent in 1961 to 39 percent in 1967.

*2. In 1967 (with no comparable data for 1961):*

(a) Nine percent of the mothers and just under 2 percent of the fathers were known to have received AFDC as a child. (Caution: For these items, the "unknown" category was quite large.)

(b) About 7 percent of fathers in the home were known by caseworkers to be alcoholics; almost 2 percent of mothers were reported as having a severe problem with alcohol.

(c) In just over two-thirds of the families all of the children had the same father and mother; in the remainder, the children had different fathers and/or mothers.

(d) Over one-fourth of all AFDC child recipients were known to have received a general medical examination by a physician during the past 2 years.

(e) Case records indicated that only small minorities of AFDC families were known to have received certain social services either during or prior to 1967: family planning, just under 20 percent; work or training, 16 percent; Vocational Rehabilitation referral, 12 percent; child welfare and/or crippled children services, 7 percent.

(f) Fifteen percent of AFDC families lived in areas which had no USDA food distribution program. Of the other families, somewhat more lived in areas with the Food Stamp Plan than in Donated Food (surplus commodity) areas. Well over 20 percent of families participated in each plan, but the participation rate was higher in areas with Donated Food programs than in areas with Food Stamp Plans.

## TABLES

## The Recipient Group:

1. Number of adult recipients.
2. Number of child recipients.
3. Race of payee.
4. Place of residence.
5. Tenure of housing unit.
6. Receipt of AFDC by family prior to most recent opening.

## Father of the Children:

7. Status.
8. AFDC history.
9. Alcoholism.

## Mother of the Children:

10. Status.
11. AFDC history.
12. Alcoholism.

## Children:

13. Age.
14. Parentage.
15. General medical examination.
16. Visual defect.
17. Dental impairment.

## Financial circumstances:

18. Amount of AFDC money payment.
19. OASDI benefits.

## Services:

20. Family planning.
21. Vocational Rehabilitation.
22. Work or training (other than Vocational Rehabilitation).
23. Child welfare services or crippled children's services.

## USDA Food Distribution Programs:

24. Programs in area and family participation.

## THE RECIPIENT GROUP

TABLE 1.—NUMBER OF ADULT RECIPIENTS

Number	Percentage distribution	
	1961	1967
Total families.....	100.0	100.0
None.....		
1.....	11.2	9.2
2.....	88.8	78.4
		12.3

<sup>1</sup> In 1961, only 1 adult in the case could be counted as a recipient for Federal matching purposes. Beginning in 1962, the disabled or unemployed father in the home could be included, together with the mother, as a recipient.

TABLE 2.—NUMBER OF CHILD RECIPIENTS

Number	Percentage distribution	
	1961	1967
Total families.....	100.0	100.0
1.....	25.1	24.8
2.....	22.8	22.5
3.....	18.4	18.3
4.....	14.1	13.4
5 to 9.....		
10 or more.....	19.6	{ 20.4 .7

TABLE 3.—RACE OF PAYEE<sup>1</sup>

Race	Percentage distribution	
	1961	1967
Total families.....	100.0	100.0
White.....	51.8	51.3
Negro.....	43.1	46.0
American Indian.....	1.6	1.5
Other.....	.2	.6
Unknown.....	.2	.6

<sup>1</sup> Excludes Puerto Rico and the Virgin Islands, which do not report race.<sup>2</sup> Included, for the most part, Puerto Rican families in New York, most of whom should have been reported as white.

TABLE 4.—PLACE OF RESIDENCE

Place	Percentage distribution	
	1961	1967
Total families.....	100.0	100.0
In SMSA county, total.....	57.9	70.7
Within the city limits of a central city of:		
250,000 or more.....	31.5	39.9
Less than 250,000.....	13.0	13.9
Outside of central city.....	13.5	16.9
Not in SMSA county, total.....	42.1	28.9
In a town or city of 2,500 or more.....	15.7	14.2
On a farm.....	5.5	2.9
Neither on a farm nor in a town of 2,500 or more.....	20.8	11.8
Out of State.....	(1)	.4

<sup>1</sup> Not reported.

TABLE 5.—TENURE OF HOUSING UNIT OCCUPIED BY FAMILY

Tenure	Percentage distribution	
	1961	1967
Total families.....	100.0	100.0
Owned or being bought by:		
Member of AFDC group.....	21.8	{9.7
Other household member.....		{7.3
Rented:		
Public housing.....	69.9	{12.2
Privately owned housing.....		{65.8
Rent free.....	6.8	4.0
Unknown.....	.8	.9
Inapplicable; in "group quarters," e.g., rooming house.....	.6	.2

TABLE 6.—RECEIPT OF AFDC BY FAMILY PRIOR TO MOST RECENT OPENING

Received AFDC previously	Percentage distribution	
	1961	1967
Total families.....	100.0	100.0
Yes.....	33.4	39.0
No.....	65.6	57.9
Unknown.....	1.1	3.1

## FATHER OF THE CHILDREN

TABLE 7.—STATUS OF THE FATHER

Status	Percentage distribution	
	1961	1967
Total families.....	100.0	100.0
Dead.....	7.7	5.5
Incapacitated.....	18.1	12.0
Unemployed.....	5.2	5.1
Absent from the home, total.....	66.7	74.4
Divorced.....	13.7	{ 12.6
Legally separated.....		{ 2.6
Separated without court decree.....	8.2	9.6
Deserted.....	18.6	18.2
Not married to mother.....	21.3	26.8
In prison.....	4.2	3.0
Other reason for absence.....	.6	1.4
Other status.....	2.2	3.0

Table 8.—Father's receipt of AFDC as a child,<sup>1</sup> 1967

Received AFDC as a child:	Percentage distribution	
	1961	1967
Total families.....		100.0
Yes .....		1.9
No .....		20.2
Unknown .....		77.9

<sup>1</sup> Not available for 1961.Table 9.—Alcoholism of father,<sup>1,2</sup> 1967

Total families with father in home	Percentage distribution	
	1961	1967
Yes .....		7.5
No .....		67.2
Unknown .....		25.3

<sup>1</sup> Not available for 1961.<sup>2</sup> Father in home and regularly consumes alcoholic beverages to the degree that it seriously limits his ability to provide support and care for the children.

## MOTHER OF THE CHILDREN

TABLE 10.—STATUS OF MOTHER

Status	Percentage distribution	
	1961	1967
Total families.....	100.0	100.0
In the home, total.....	89.7	91.5
Employed:		
Full time.....	4.6	6.6
Part time.....	8.3	7.1
Not employed:		
Incapacitated.....	(1)	13.6
No marketable skills.....	(1)	11.5
Needed as homemaker.....	(1)	38.6
Other.....	(1)	14.1
Not in the home, total.....	10.3	8.5
Dead.....	3.8	2.7
Deserted.....	3.8	3.2
In medical institution other than mental.....	.2	.2
In mental institution.....	.6	.4
Other.....	1.9	2.1

<sup>1</sup> Breakdown for 1961 not comparable with 1967 data.

Table 11.—Mother's receipt of AFDC as a child,<sup>1</sup> 1967

Received AFDC as a child:	Percentage distribution
Total families	100.0
Yes	9.2
No	34.3
Unknown	56.5

<sup>1</sup> Not available for 1961.Table 12.—Alcoholism of mother,<sup>1,2</sup> 1967

Total families with mother living	Percentage distribution
Yes	1.9
No	76.7
Unknown	21.3

<sup>1</sup> Not available for 1961.<sup>2</sup> Mother regularly consumes alcoholic beverages to the degree that it seriously limits her ability to meet her family responsibilities.

## CHILDREN

TABLE 13.—AGE OF CHILDREN IN THE FAMILY

Age	Percentage distribution	
	1961 <sup>1</sup>	1967 <sup>2</sup>
Total child recipients	100.0	100.0
Under 6 years	32.9	33.0
6 to 12 years	44.2	41.2
13 to 17 years	22.9	22.4
18 to 20 years	3.3	4.4

<sup>1</sup> Only AFDC recipient children in the family were reported in 1961.<sup>2</sup> Includes recipient and nonrecipient children.<sup>3</sup> In 1964, children in this age group became eligible for AFDC if they were regularly attending school.Table 14.—Percentage of children in the case,<sup>1</sup> 1967

Parentage of children:	Percentage distribution	
	Total families	
All have same mother and father		67.9
Different mothers and/or fathers		31.8
Unknown		.3

<sup>1</sup> Not available for 1961.Table 15.—General medical examinations by physicians received by children in past 2 years,<sup>1</sup> 1967

Received examinations:	Percentage distribution	
	Total child recipients <sup>2</sup>	
Yes		28.2
No		15.3
Unknown		56.6

<sup>1</sup> Not available for 1961.<sup>2</sup> Excludes unborn children.

TABLE 16.—CHILDREN WITH SOME VISUAL DEFECT

Visual defect	Percentage distribution	
	1961	1967
Total child recipients <sup>1</sup> .....	100.0	100.0
Child has defect.....	5.8	7.6
Professional opinion.....	3.9	4.8
Other opinion.....	1.9	2.8
Child does not have defect.....	84.1	75.2
Unknown.....	10.1	17.3

<sup>1</sup> Excludes unborn children.

TABLE 17.—CHILDREN WITH DENTAL IMPAIRMENTS

Dental impairment	Percentage distribution	
	1961	1967
Total child recipients <sup>1</sup> .....	100.0	100.0
Child has impairment.....	9.0	11.1
Professional opinion.....	4.0	4.7
Other opinion.....	5.0	6.4
Child does not have impairment.....	73.5	66.4
Unknown.....	17.5	22.4

<sup>1</sup> Excludes unborn children.

## FINANCIAL CIRCUMSTANCES

TABLE 18.—AMOUNT OF AFDC MONEY PAYMENT

Amount	Percentage distribution	
	1961	1967
Total families.....	1100.0	100.0
Under \$100.....	47.1	30.7
\$100 to \$199.....	39.2	40.6
\$200 or more.....	12.6	28.7

<sup>1</sup> October 1961, distribution of money payments release.

TABLE 19.—RECEIPT OF OASDI BENEFITS BY THE FAMILY

Benefits received	Percentage distribution	
	1961	1967
Total families.....	100.0	100.0
Yes.....	5.7	7.8
No.....	94.3	92.2

## SERVICES

Table 20.—Receipt by family member of family planning services,<sup>1</sup> 1967

Services received:	Percentage distribution	
	Total families	1967
Within the past year.....	14.0	
More than a year ago.....	4.7	
Never or unknown.....	81.4	

<sup>1</sup> Not available for 1961.

Table 21.—Referral of family member for Vocational Rehabilitation services,<sup>1</sup> 1967

Programs in area:	Percentage distribution
Total families	100.0
Referred within past 2 years:	
Receiving services	2.8
Services received, now closed	1.9
Services never received	4.1
Referred more than 2 years ago	3.5
Never referred	79.9
Unknown	7.7

<sup>1</sup> Not available for 1961.

Table 22.—Work or training program enrollment of family member in past 2 years,<sup>1</sup> 1967

Enrollment:	Percentage distribution
Total families	100.0
Currently enrolled	7.8
Formerly enrolled	8.3
Never enrolled	78.7
Unknown	5.1

<sup>1</sup> Not available for 1961.

Table 23.—Receipt by child of crippled children's services or child welfare services in past 2 years,<sup>1</sup> 1967

Type of services received:	Percentage distribution
Total families	100.0
Crippled children's services only	3.1
Child welfare services only	3.4
Both types received	.6
Neither type received	87.1
Unknown	5.8

<sup>1</sup> Not available for 1961.

#### USDA Food DISTRIBUTION PROGRAMS

Table 24.—U.S. Department of Agriculture food distribution programs in area and family participation,<sup>1</sup> 1967

Referrals:	Percentage distribution
Total families	100.0
None	15.4
Food Stamp Plan:	
Family participates	21.9
Family does not participate	18.5
Participation unknown	2.5
Donated food plan (surplus commodities):	
Family participates	24.6
Family does not participate	9.1
Participation unknown	8.0

<sup>1</sup> Not available for 1961.

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, SOCIAL AND REHABILITATION SERVICE, NATIONAL CENTER FOR SOCIAL STATISTICS, JANUARY 1969

#### 1967 AFDC STUDY—PRELIMINARY REPORT OF FINDINGS FROM MAIL QUESTIONNAIRE

This preliminary report is based upon data from the 1967 AFDC Study mail questionnaire which was sent to a representative sample of 3,659 mothers or other female caretakers of AFDC children in the conterminous United States. A total of 2,969 women returned completed questionnaires, for a response rate of 81.1 percent.

## HIGHLIGHTS

1. Over 40 percent of the mothers or other female caretakers reported they had no education beyond the eighth grade level. Twenty percent had completed high school, and a few had gone on to college. Eight percent were currently enrolled in some kind of education or training course. Of these, almost one-third were studying for a high school diploma, and one-sixth were taking business courses.

2. A large majority of the women considered their neighborhood to be at least a fair place to raise a family, but 13.6 percent felt they lived in bad areas.

3. During the last six months, over one-third of the families had put off paying the rent in order to buy enough food, and 8.5 percent had moved either because the rent was too high or because they couldn't pay the rent.

4. Large majorities of all families had inside running water and the use of a kitchen, a bathroom with shower or tub, and a flush toilet. Less than 10 percent had to share any one of these facilities with another family. Only half of the families had their own telephone, but an additional 19 percent had access to one in the same house or building.

5. Thirty percent of the women said they didn't have enough beds for everyone in the family, and 12 percent didn't even own one sheet and one blanket for each of the beds they did have. In one-fourth of the families, there wasn't enough furniture for everyone to sit down together for a meal, and 21 percent lacked sufficient tableware for all family members.

6. Close to 60 percent of the families had bought most of their clothing either new or used during the last six months, but one-fourth had found it necessary to rely on clothing donations. In 17 percent of the families, some of the children had stayed home from school at some time in the last six months because they didn't have shoes or clothes.

7. Close to half of the women said that during the last six months there were some times when their children didn't have milk because there was no money to buy it.

8. During the last six months, considerable numbers of families had been unable to afford needed medical care. Dental care had been foregone by one or more persons in about 40 percent of the families, obtaining eyeglasses in about 30 percent, and seeing a doctor in 25 percent.

9. Forty-five percent of the women had been on welfare, not necessarily continuously, for more than three years, and almost 40 percent had been on welfare at least two different times. Twenty percent of the women had been denied welfare at some time when they applied for it, and among these, almost 30 percent had been turned down at two or more different times. When the questionnaires were received by the women, 7 percent were no longer getting welfare help.

10. Over half of the women said that at least one month had elapsed between the time of their last application for welfare and receipt of the first welfare check. In regard to periodicity of welfare checks 55 percent preferred twice a month issuance, but 25 percent said they would like monthly checks.

11. While most of the women were fairly well satisfied with the rules for getting welfare, 10 percent thought that the rules were not very fair, and 5 percent considered them to be downright unfair.

12. Over 40 percent of the women thought that once every two or three months should be often enough for recipients to see welfare workers about problems. One-fifth considered this to be too often, but a third suggested even more frequent contacts. In regard to their own problems, over three-fourths of the women thought that most welfare workers were at least fairly understanding. Other opinions were less favorable, and 6 percent thought that workers' understanding was nil.

13. About half of all the women said that if more welfare money were available to them, they would spend it for food. Clothes and shoes were chosen by almost 30 percent, while 10 percent said they would put extra money into rent.

14. Just over half of the women reported that welfare had helped them in ways other than money payments. Those who said they had received other help were asked to describe it. Close to half mentioned medical care. One-fifth had been helped to feed their families, mostly through the United States Department of Agriculture food distribution programs administered through welfare agencies. One-seventh had been aided by social or emotional support, variously expressed as welfare workers' listening to, understanding, advice about, and helping to solve problems: feelings of security, peace of mind, and moral support: etc. Household effects and clothing were the next most frequently mentioned items. About

7 percent said that either they or their husbands had been given additional schooling or job training, and 2.4 percent said that welfare had helped some family member to find or keep a job.

TABLES<sup>1</sup>

## Education of mother or other female caretaker :

1. Educational attainment.
2. Current school, class, or training enrollment.
3. Type of courses taken in current enrollment.

## Neighborhood and home :

4. Opinion of neighborhood as a place to raise a family.
5. Rent problems during last 6 months.
6. Household facilities.
7. Household furnishing deprivation.

## Clothing :

8. Acquisition of family clothing during last 6 months.
9. Clothing deprivation of children during last 6 months.

## Food :

10. Milk deprivation of children during last 6 months.

## Medical care :

11. Medical care deprivation during last 6 months.

Welfare :<sup>2</sup>

12. Total time on welfare.
13. Number of different times on welfare.
14. Denial of welfare.
15. Number of times denied welfare.
16. Current receipt of welfare.
17. Time period from latest application for welfare to receipt of first welfare check.
18. Preference for periods of welfare check issuance.
19. Opinion of rules for getting welfare.
20. Anticipated periods of need to see a welfare worker about problems.
21. Opinion of how welfare workers understand problems.
22. How more welfare money, if available, would be spent.
23. Opinion of whether or not welfare helped in ways other than money payments.
24. Other ways in which welfare helped.

## EDUCATION OF MOTHER OR OTHER FEMALE CARETAKER

*Table 1.—Education attainment (Question No. 1)*

	Percentage distribution
Enrollment:	
Total respondents	100.0
Less than 5th grade (including none)	10.6
5th to 7th grade	17.1
8th grade	15.2
9th to 11th grade	36.5
12th grade	17.6
1 to 3 years of college	2.4
4 years or more of college	.1
No answer	.5

*Table 2.—Current school, class, or training enrollment (Question No. 2a)*

	Percentage distribution
School grade completion:	
Total respondents	100.0
Currently enrolled	8.4
Not currently enrolled	90.8
No answer	.8

<sup>1</sup> See Appendix A for questionnaire items.<sup>2</sup> Previous research indicated a lack of recognition of "Aid to Families with Dependent Children" by many women receiving this form of public assistance; therefore, the more general term "welfare" was used in the questionnaire.

Table 3.—Type of course(s) taken in current enrollment (Question No. 2b)

Type of course(s) :	Percentage distribution
Total respondents currently enrolled.....	100.0
Grade school.....	11.7
High school (or equivalent).....	31.1
Business .....	17.3
College .....	4.8
Nursing .....	5.2
Beauty culture.....	4.8
Sewing .....	4.0
Other .....	8.5
No answer.....	12.5

**NEIGHBORHOOD AND HOME**

Table 4.—Opinion of neighborhood as a place to raise a family (Question No. 3)

Opinion :	Percentage distribution
Total respondents.....	100.0
Good .....	33.4
Fair .....	52.3
Bad .....	13.6
No answer .....	.6

Table 5.—Rent problems during last 6 months (Question Nos. 15, 16)

Problems :	Percentage reporting
Total respondents.....	100.0
Family had to :	
Put off paying rent in order to buy enough food.....	34.6
Move because rent was too high or they couldn't pay rent.....	8.5

Table 6.—Household facilities (Question Nos. 4, 5, 6, 7, and 8)

Facilities :	Percentage reporting
Total respondents.....	100.0
Family had :	
Use of kitchen.....	97.4
Shared with others.....	8.6
Inside running water.....	87.0
Hot and cold.....	75.8
Cold only.....	7.4
Use of flush toilet.....	86.2
Shared with others.....	9.0
Use of bathroom with shower or tub.....	83.5
Shared with others.....	8.9
Telephone in home.....	50.0
No telephone in home, but access to one in same house or building.....	18.8

Table 7.—Household furnishings deprivation (Question Nos. 9, 10, 11, and 12)

Deprivation :	Percentage reporting
Total respondents.....	100.0
Family had :	
Not enough beds.....	30.1
Less than 1 sheet and 1 blanket per bed.....	11.7
Not enough furniture so that everyone could sit down together while eating.....	24.8
Not enough tableware.....	20.9

Table 8.—*Acquisition of family clothing during last 6 months (Question No. 13)*

CLOTHING		Percentage distribution
Acquisition:	Total respondents	100.0
Mostly bought new		40.7
Mostly bought used		17.4
Mostly donated		24.8
Didn't get any		11.7
Other		4.4
No answer		1.0

Table 9.—*Clothing deprivation of children during the last 6 months (question No. 14)*

		Percentage distribution
Deprivation:	Total respondents	100.0
Some child(ren) stayed home from school because they didn't have shoes or clothes		17.4
No child stayed home from school, or no children in school		82.2
No answer		.4

## FOOD

Table 10.—*Milk deprivation of children during last 6 months (question No. 17)*

		Percentage distribution
Deprivation:	Total respondents	100.0
Children had no milk sometime(s) because of insufficient money		45.8
Children had milk		53.3
No answer		.8

## MEDICAL CARE

Table 11.—*Medical care deprivation during last 6 months (question Nos. 18, 19, and 20)*

		Percentage reporting
Deprivation:	Total respondents	100.0
Family member(s) needed but couldn't afford to:		
Go to a dentist		39.4
Get eyeglasses		28.9
Go to a doctor		24.9

## WELFARE

Table 12.—*Total time on welfare (question No. 23)*

		Percentage distribution
Time period:	Total respondents	100.0
Less than 1 year		21.0
From 1 to 3 years		31.2
More than 3 years		45.1
No answer		2.7

Table 13.—*Number of different times on welfare (question No. 22)*

		Percentage distribution
Number of times:	Total respondents	100.0
Once		58.1
Twice		25.8
Three or more times		12.5
No answer		3.6

Table 14.—Denial of welfare (question No. 24a)

	Percentage distribution
Denial:	
Total respondents	100.0
Denied welfare at some time(s)	19.6
Never denied welfare	78.4
No answer	2.0

Table 15.—Number of times denied welfare (question No. 24b)

	Percentage distribution
Number of times:	
Total respondents denied welfare	100.0
Once	65.7
Two or more times	28.5
No answer	5.8

Table 16.—Current receipt of welfare (question No. 25)

	Percentage distribution
Current receipt:	
Total respondents	100.0
Getting welfare currently	91.5
Not getting welfare	7.1
No answer	1.3

Table 17.—Time period from latest application for welfare to receipt of first welfare check (question No. 21)

	Percentage distribution
Time period:	
Total respondents	100.0
Less than 1 month	38.0
From 1 to 2 months	36.6
More than 2 months	18.7
No answer	6.7

Table 18.—Preference for periods of welfare check issuance (question No. 28)

	Percentage distribution
Preference:	
Total respondents	100.0
Every week	18.0
Twice a month	55.2
Once a month	25.4
No answer	1.4

Table 19.—Opinion of rules for getting welfare (question No. 27)

	Percentage distribution
Opinion:	
Total respondents	100.0
Very fair	43.6
Somewhat fair	40.0
Not very fair	10.1
Unfair	4.6
No answer	1.7

Table 20.—Anticipated periods of need to see a welfare worker about problems (question 30)

	Percentage distribution
Periods:	
Total respondents	100.0
Every 2 or 3 weeks	7.1
Once every month	25.9
Every 2 or 3 months	43.4
Not this often	21.0
No answer	2.6

Table 21.—Opinion of how welfare workers understand problems (question No. 29)

Opinion:	Percentage distribution
Total respondents	100.0
Very well	36.1
Fairly well	41.9
Not very well	14.9
Not at all	5.7
No answer	1.3

Table 22.—How more welfare money, if available, would be spent (question No. 31)

Item chosen:	Percentage distribution
Total respondents	100.0
Food	47.9
Clothes and shoes	28.2
Rent or mortgage payments	9.7
Unable to choose one item only	12.9
No answer	1.3

Table 23.—Opinion of whether or not welfare helped in ways other than money payments (question No. 32a)

Opinion:	Percentage distribution
Total respondents	100.0
Welfare helped in other ways	53.3
Welfare did not help in other ways	44.3
No answer	2.4

Table 24.—Other ways in which welfare helped (question No. 32b)

Ways helped:	Percentage distribution
Total respondents reporting help in ways other than money payments	<sup>1</sup> 100.0
Medical care	45.3
Food	20.0
Social and emotional support (advice, understanding, etc.)	14.2
Household effects	12.9
Clothing, shoes	9.0
Schooling or job training for respondent or spouse	6.9
Paid bills	3.9
Family kept together, respondent able to stay home with children	3.8
Christmas gifts	3.5
Better housing, moving	3.0
Family member find or keep job	2.4
Transportation	2.3
Keep children in or send to school	2.2
Homemaker, babysitter	2.1
Better money management	1.8
Obtain child support from or locate father	.8
Other	2.5
No answer	6.1

<sup>1</sup> Percentages add to more than 100 because of multiple replies.

#### APPENDIX A : QUESTIONNAIRE ITEMS

1. What is the last grade of school you completed?
- 2a. Are you going to school or taking any classes or training now? b. (If yes) What different things are you taking?
3. Do you think your neighborhood is a good place, a fair place, or a bad place to raise a family?
- 4a. Is there running water inside the house or building where you live? b. (If yes) Is it cold running water only, or hot and cold?

- 5a. Do you have the use of a kitchen? b. (If yes) Does any other family use the same kitchen?
- 6a. Do you have the use of a bathroom with a shower or tub? b. (If yes) Does any other family use the same bathroom?
- 7a. Do you have the use of a flush toilet? b. (If yes) Does any other family use the same toilet?
- 8a. Do you have a telephone in your home? b. (If no) Is there a telephone you can use in the house or building where you live?
9. Do you have at least one sheet and one blanket for every bed?
10. Do you have enough beds for everyone in your family?
11. Do you have enough furniture so that everyone in your family can sit down together at a table while you eat?
12. Do you have enough tableware (plates; cups or glasses; knives, forks, and spoons) for everyone in your family?
13. During the last 6 months, were the clothes your family got mostly bought new, bought used, given to you, or didn't your family get any clothes?
14. During the last 6 months, did any of your children stay home from school because they didn't have shoes or clothes?
15. During the last 6 months, did you have to move because the rent was too high or you couldn't pay the rent?
16. During the last 6 months, were there any times when you had to put off paying the rent so that you could buy enough food for your family?
17. During the last 6 months, were there any times when your children didn't have milk because you didn't have the money to buy it?
18. During the last 6 months, did you or anyone else in your family need to go to a dentist but didn't go because you didn't have the money?
19. During the last 6 months, did you or anyone else in your family need eyeglasses but didn't get them because you didn't have the money?
20. During the last 6 months, did you or anyone else in your family need to go to a doctor but didn't go because you didn't have the money?
21. After you asked for welfare this time, how long was it until you got your first welfare check—less than 1 month, from 1 to 2 months, or more than 2 months?
22. About how many different times have you been on welfare?
23. About how long altogether have you been on welfare (counting all of the different times)—less than 1 year, from 1 to 3 years, or more than 3 years?
- 24a. Have you ever been turned down for welfare? b. (If yes) How many times have you been turned down?
25. Are you getting welfare now?
26. Did you get your last welfare check sometimes this month, sometimes last month, or before last month?<sup>1</sup>
27. Do you think that the rules for getting welfare are very fair, somewhat fair, not very fair, or unfair?
28. Do you think that welfare checks should be sent out every week, twice a month, or once a month?
29. Do you think that most welfare workers understand your problems very well, fairly well, not very well, or not at all?
30. Do you think that people getting regular welfare checks needs to see a welfare worker about their problems every 2 or 3 weeks, once every month, every 2 or 3 months, or not this often?
31. If welfare could give people more money, would you spend it mostly for rent or mortgage payments, for food, or for clothes and shoes?
- 32a. Besides giving you money, has welfare helped you in any other ways?
- 32b. (If yes) In what other ways has welfare helped you?

#### REQUEST 3

*A detailed comparison of the proportion of the children on the AFDC rolls who are there because of the desertion of the father in those States which had the unemployed fathers program in effect at the end of 1967 and those States which did not have that program in effect.*

#### RESPONSE 3

The attached tables show the proportion of AFDC families in which the father had deserted in States that had an Unemployed-Parent program in

<sup>1</sup> Not included in tabulations in this report because item is to be used only in cross-tabulations.

effect in 1967 ("U.P. States" Table 1) and in those States that did not have this program ("non-U.P. States" Table 2). The information is taken from national sample surveys of AFDC families which were conducted by HEW in 1961 and 1967. The comparison is presented in terms of families rather than children because information on the status of the father was reported in this way in the surveys.

The proportion of the caseload involving a deserting father has not changed significantly either in U.P. or non-U.P. States. In the 22 U.P. States, the proportion of families with a deserting father remained very nearly the same—17 percent in 1967 compared with 16 percent in 1961. The situation was similar in the 29 non-U.P. States—the proportion of families with a deserting father was 21 percent in 1967 compared with 22 percent in 1961.

Few, if any, inferences may be drawn from these data regarding the impact of U.P. programs on the rate of desertion among low-income families. In the majority of States, the proportion of cases with a deserted father has declined; this is true within both U.P. and non-U.P. States. Further, the overall rate of decline would have been significantly greater had it not been for New York State. Here the proportion of cases with a deserted father increased substantially. (Because of New York's large caseload, their performance has a relatively large impact on the national picture. Counting U.P. States *other than New York*, the proportion of deserted father cases declined from 16% in 1961 to 13% in 1967, a greater rate of decline than in non-U.P. States.)

Beyond this, the proportions shown in Tables 1 and 2 are affected by other factors which may or may not be related to desertion. Thus, within both U.P. and non-U.P. States there is an equal range of variations in the proportion of deserted father cases. In part, this variation can be explained *arithmetically* by the variation in other types of cases.

Going still further, the availability of cash assistance from an AFDC-U.P. program is probably not uniform even among the States that have such a program. There seems to be no ready explanation of why UP caseloads vary so much from State to State. This variation is apparent whether the UP caseload is expressed as a percent of the regular caseload or as a percent of the State population. Thus, there remains a question of whether AFDC-U.P. is an equally effective dis-incentive for family breakup in each of the States having the program.

The factors that lead to desertion are complex. Whether UP programs serve to offset some of these factors is an equally complex problem that requires more extensive analysis than is possible with the attached tables.

TABLE 1.—FAMILIES RECEIVING AFDC: TOTAL FAMILIES AND NUMBER AND PROPORTION OF FAMILIES WITH A DESERTING FATHER, STATES WITH AN UNEMPLOYED-PARENT PROGRAM, 1961-67

State	1961			1967		
	Total AFDC families	AFDC families with deserting father	Percent of families with deserting father	Total AFDC families	AFDC families with deserting father	Percent of families with deserting father
Total, 22 States...	516,064	83,125	16.1	811,215	140,170	17.3
California	86,784	14,935	17.2	193,361	14,658	7.6
Colorado	8,274	1,598	19.3	13,860	2,079	15.0
Connecticut	9,964	1,544	15.5	15,635	2,969	19.0
Delaware	2,288	363	15.9	3,780	924	24.0
Hawaii	2,785	110	3.9	4,640	215	4.6
Illinois	52,109	13,324	25.6	58,048	13,856	23.9
Kansas	6,409	768	12.0	9,140	830	9.1
Maine	5,904	585	9.9	5,874	341	5.8
Maryland	11,348	1,725	15.2	26,504	5,420	20.4
Michigan	31,178	3,345	10.7	44,190	4,590	10.4
Missouri	26,562	4,892	18.4	26,738	4,141	15.5
Nebraska	3,207	410	12.8	5,565	588	10.6
New York	83,076	15,836	19.1	196,725	62,214	31.6
Ohio	33,275	4,113	12.4	52,125	7,375	14.1
Oklahoma	19,123	1,580	8.3	22,384	1,536	6.9
Pennsylvania	68,137	10,471	15.4	65,756	11,492	17.5
Rhode Island	5,212	767	14.7	7,464	696	9.3
Utah	3,806	298	7.8	6,580	480	7.3
Vermont	1,310	201	15.3	2,088	248	11.9
Washington	15,136	1,252	8.3	16,028	1,558	9.7
West Virginia	30,095	3,491	11.6	20,350	2,800	13.8
Wisconsin	10,082	1,517	15.0	14,380	1,160	8.1

TABLE 2.—FAMILIES RECEIVING AFDC: TOTAL FAMILIES AND NUMBER AND PROPORTION OF FAMILIES WITH A DESERTING FATHER, STATES WITHOUT AN UNEMPLOYED-PARENT PROGRAM, 1961-67

State	1961			1967		
	Total AFDC families	AFDC families with deserting father	Percent of families with deserting father	Total AFDC families	AFDC families with deserting father	Percent of families with deserting father
Total, 29 States...	368,377	81,573	22.1	420,488	88,161	21.0
Alabama.....	21,336	3,925	18.4	18,112	3,168	17.5
Alaska.....	1,226	129	10.5	1,217	58	4.8
Arizona.....	9,010	2,398	26.6	10,300	2,180	21.2
Arkansas.....	6,839	1,014	14.8	9,244	1,369	14.8
District of Columbia.....	5,611	1,506	26.8	5,385	1,254	23.3
Florida.....	25,430	7,088	27.9	37,440	9,864	26.3
Georgia.....	16,411	3,370	20.5	26,032	6,446	24.8
Idaho.....	2,372	320	13.5	3,052	418	13.7
Indiana.....	11,818	1,492	12.6	12,198	1,467	12.0
Iowa.....	9,589	827	8.6	11,710	1,200	10.2
Kentucky.....	21,826	2,138	9.8	26,910	4,146	15.4
Louisiana.....	22,684	3,417	15.1	26,858	3,477	12.9
Minnesota.....	10,769	722	6.7	15,710	790	5.0
Mississippi.....	20,553	4,999	24.3	23,657	5,021	21.2
Montana.....	1,996	274	13.7	2,535	235	9.3
Nevada.....	1,348	275	20.4	1,617	231	14.3
New Hampshire.....	1,100	156	14.2	1,410	184	13.0
New Jersey.....	19,844	7,075	35.7	35,966	11,711	32.6
New Mexico.....	7,394	1,065	14.4	9,510	1,230	12.9
North Carolina.....	28,327	7,629	26.9	26,066	5,458	20.9
North Dakota.....	1,815	228	12.6	2,310	225	9.7
Puerto Rico.....	55,177	20,328	36.8	37,638	13,532	36.0
South Carolina.....	9,157	1,758	19.2	6,996	1,980	28.3
South Dakota.....	3,068	366	11.9	3,616	336	9.3
Tennessee.....	22,611	3,050	13.5	23,694	3,762	15.9
Texas.....	19,355	3,089	16.0	26,108	5,102	19.5
Virgin Islands.....	283	122	43.1	394	209	53.0
Virginia.....	10,658	2,698	25.3	13,599	2,990	22.0
Wyoming.....	770	115	14.9	1,204	118	9.8

#### REQUEST 4

*A detailed description of State activity under the 1967 amendments requiring them to establish programs to combat illegitimacy and to develop programs to get support for children who have been deserted.*

#### RESPONSE 4

In order to secure a current report of State activity in these areas, HEW sent a special inquiry on October 27, 1969 to nine State departments of welfare. These States were California, Illinois, Indiana, Louisiana, Michigan, New Jersey, New York, Ohio and Wisconsin. Collectively these States serve about half of all the AFDC families in the country. The material that follows is based upon these State reports.

(a) *Programs to combat illegitimacy.*—There is no single approach to a social problem as complex as that of illegitimacy. A variety of methods and approaches must be tried if there is to be a reversal of the long-time upward trend in the extent of illegitimacy in the U.S.

The provision of services to unmarried mothers who have recently had a child and to those who are currently pregnant out-of-wedlock, as well as to young persons living in family and community situations that expose them to the risk of illegitimacy, is one approach to the prevention and reduction of illegitimacy. The activity now going on in States to begin separating the provision of services from the function of determining financial eligibility for public assistance, will serve to strengthen all services, including those related to illegitimacy. Counseling services to unmarried mothers and others at risk are being provided by the States. Wisconsin, for example, reports that during 1968, 82 percent of all unmarried mothers in the State accepted some type of counseling service either from a public or a voluntary agency. The provision of services to current unmarried mothers is seen by the State as a way of reducing subsequent out-of-wedlock pregnancies.

There is increasing recognition that services for unmarried mothers and those at risk of illegitimacy should be comprehensive in scope. These services

should include not only counseling around the immediate problem of a current pregnancy, but also family life education, medical care, education and opportunities for employment and vocational training whenever appropriate. The importance of uninterrupted schooling for unmarried mothers is increasingly recognized. Although the number of such comprehensive programs is not large, it has been growing in recent years and represents one of the most promising developments in combating illegitimacy. A number of State agencies reported programs of this type.

Greater recognition is apparent of the need to provide services on a group rather than a one-to-one basis. Classes in family life education and similar group sessions are more prevalent than formerly.

A major thrust at the problem of illegitimacy is the growing development of family planning services for AFDC families. These services, of course, have many other objectives than preventing and reducing illegitimacy. State welfare staffs generally have been given the responsibility of explaining family planning services to all appropriate recipients of AFDC, to offer the services as a matter of right, and to refer individuals wishing to utilize these services to the appropriate resource. A variety of approaches are being made to inform public assistance clients, as well as others, about family planning services and about the resources that are available. In New York State, to give one example, local agencies are required to notify recipients of the availability of family planning services by enclosing a prescribed notice with their assistance checks.

The States have generally recognized that the provision of family planning services and services related to illegitimacy are among the most difficult responsibilities being assigned to their staffs and that training programs for staff in these areas are of particular importance. These are areas of great sensitivity, with a considerable diversity of opinion among community groups. In a number of States there are legal barriers to the offering of family planning services to certain groups, especially to young adolescents and to unmarried persons. Some States have begun to remove such barriers, especially those that did not require legislative action. Efforts to train staff in providing family planning services and other services for unmarried mothers represent a constructive attempt by public welfare agencies to cope with the numerous questions and problems surrounding these services.

There have been many developments along the lines of community organization and planning for combating illegitimacy and for developing family planning services. The States more and more are working jointly with State departments of health, education, and manpower, and with private organizations in the family planning field to develop community services and resources. There is much more opportunity to serve AFDC families in those communities that have developed and have available the medical programs that provide family planning services.

Purchase of service by public welfare agencies from private community agencies is another approach that increasingly is being used. Wisconsin, for example, reports that beginning October, 1969 the county departments of social services will receive State and Federal matching funds for the purchase of services to prevent or reduce dependency through the purchase of unmarried mother services, unmarried father services, and services for youths living in conditions immediately conducive to births out-of-wedlock. States generally are recognizing more the need to work with the unmarried father and to assess the degree of his attachment to the mother and child.

In order to get at some of the fundamental causes of illegitimacy, welfare departments and other agencies recognize the need for community planning and national action to promote those essential opportunities and services, the lack of which has contributed to the national rise in illegitimacy.

It is not easy at this stage to assess the accomplishments of the State welfare agencies in dealing with the problem of illegitimacy. State statistics show increasing numbers of AFDC families receiving family planning services and social services for unmarried mothers. One State with a better developed statistical system than many others suggests that its efforts in the family planning area may already be providing results. It reports that the average number of persons per AFDC case has declined slowly but steadily between 1968 and 1969 from 4.75 persons to 4.32 persons. Also, the number of newborn children in AFDC families for which payments are made in the State under the Medical Assistance program has decreased from about 10.87 per thousand case in 1968 to 9.15 per thousand in June 1969. In general, however, State agencies are not yet in a position to fully report or assess the results of their activities.

The Children's Bureau currently is financing a survey of family planning services provided by public welfare agencies for AFDC families throughout the nation. A report of this survey will be forthcoming about July 1, 1970. It is also significant that the statistical reports on family planning services provided by clinics and other medical facilities are showing that 14 percent of the persons served are from AFDC families.

(b) *Programs to secure support for children who have been deserted.*—The reports received clearly show that States have made substantial progress in developing programs for securing support for children who have been deserted and other children whose fathers are absent from the home. These programs generally existed in the States well before the 1967 Amendments and these Amendments largely reaffirmed and strengthened what many States had already been doing.

Some States have reported new legislation strengthening their programs for securing support, and others have adopted new regulations and policies that also have this effect. The 1969 New York State legislature passed legislation implementing the requirement of the 1967 Amendments with reference to establishing paternity of children born out-of-wedlock and obtaining support for such children and for children receiving AFDC who have been deserted by their parents.

States have also initiated administrative improvements better to develop, coordinate and strengthen their total efforts in this area. Some have set up single organizational units whose major function it is to administer all responsibilities relating to establishing paternity and securing support for children. Others have strengthened their locator services to locate absent parents. Many have improved and extended their arrangements with courts and law enforcement officials.

There is more recognition by States that the provision of social services for families with absent parents or unmarried parents should be closely related to the provision of services for securing support. Wherever feasible, service workers are expected to work with deserted and absent parents to reunite families. Where a separate organizational unit is handling problems related to securing support efforts are made to coordinate this activity with the provision of social services in order to achieve the most productive outcome for the family that is possible under the circumstances.

Statistics reported by the States generally show substantial amounts collected from absent parents and trends showing increases in these collections. These collections include not only those obtained through court orders but in a substantial fraction of cases, by voluntary contributions. To cite only one or two examples: Illinois reported that in September 1969, 9,950 AFDC cases were budgeted for contributions from absent parents and these contributions amounted to \$710,000 in that month, an average of \$71.38 per case. The 9,950 cases budgeted for contributions represented 13 percent of the States total AFDC caseload. California reported that in September 1969, 84 percent of the AFDC caseload had an estranged father. Of these, an estimated 20 percent contributed toward the support of the AFDC families with an average contribution of \$72.32.

All and all, this is a program area in which State reports show substantial accomplishments.

#### REQUEST 5 (A)

*Number of potential eligibles for the WIN program broken down into the categories of mothers, unemployed fathers, youths over 16 and other relatives (hereinafter called category of recipients).*

#### RESPONSE 5 (A)

The average number of potential eligibles for the WIN program in FY 1970, by category of recipient, is estimated as follows:

Category :

Total	467,000
Mothers	258,000
Unemployed fathers	104,000
Youth 16 and over	35,000
Other essential persons	70,000

A State-by-State breakdown of these estimates is not currently available.

## REQUEST 5 (B)

*Number of assessments by welfare agencies for participation in the program. What specific reasons account for the marked variation between the States in the number of recipients assessed for the program?*

## RESPONSE 5 (B)

The attached table gives the number of recipients assessed for appropriateness for referral to WIN, by State, through August 1969.

The variation among States in the proportion of recipients assessed is due to many factors, such as:

(a) WIN became operational at different times in different States. Cumulative assessments would generally be lower in States that started later than others.

(b) Sixteen States had legal barriers to operation of WIN until July 1, 1969. No referrals could be made in these States prior to that date.

(c) In some States, Title V Work Experience and Training program enrollees and Community Work and Training enrollees were enrolled directly into the WIN program without a formal assessment.

(d) There probably are some differences among States in what they are counting statistically as assessments. It may be that some States, such as New York, are counting the six-month review for eligibility as an assessment, thereby counting the same individuals again. The practice in other States may be different. Steps are being taken to correct this situation.

## REQUEST 5 (C)

*Number and percentage of persons assessed who are determined appropriate for referral, giving category of recipients. Include a breakdown of the reason for non-referral both by total and by category of recipients. Include any analysis which has been made of this information.*

## RESPONSE 5 (C)

The attached table gives the number and percentage of persons assessed who were found appropriate for referral, by State, through August 1969.

National statistics by category of recipient on the number of assessments, the number found appropriate for referral, and the number referred to WIN are given in the attached table showing assessment and referral activity through June 30, 1969. State data are given in the attached State tables.

Reasons individuals were found inappropriate for referral are given in the attached table (marked Table 7) showing information for January-March, 1969 in 25 reporting States. Data on reasons by category of recipient are not currently available.

It should be noted that Table 7 gives a percentage distribution of reasons excluding New York. Since New York's distribution differs so greatly from that of other States, we believe the distribution that excludes New York more nearly represents the national situation.

Table 7 shows that illness, disability, and/or advanced age were the most frequent reasons why individuals were found to be inappropriate. Following is a classification of the reasons reported, in descending order of frequency:

<i>Reason</i>	<i>Percent of individuals found inappropriate</i>
Illness, disability and/or advanced age-----	26
Adequate child care arrangements not currently available-----	16
Required in home because of age or number of children-----	16
Child aged 16-20 attending school full-time-----	7
Required in home because of illness or incapacity of other member of household-----	6
Currently receiving or referred to other education or training, or to vocational rehabilitation-----	4
Remoteness from WIN projects-----	2
Other reason, including not reported-----	23

**REQUEST 5 (D)**

*Number and percentage of persons determined appropriate who are actually referred to the WIN program, by category of recipient. What are the reasons for the rather large number of persons determined appropriate who are never referred? Give a breakdown by category of recipient of the persons referred back to the welfare agency by the manpower agency with reasons for referral back.*

**RESPONSE 5 (D)**

The attached tables also include data on the number and percentage of persons referred to the WIN program, by State and by category of recipient.

The data indicate that in most States the great majority of persons found appropriate have actually been referred to WIN, often above 80 or 90 percent. The low proportion in New York is explained under question 5(f).

An attached State table shows the number of persons referred back to the welfare agency by the manpower agency through June 30, 1969 in the reporting States, by category of recipient. Statistics on reasons for referral back are not currently available, but the data available show that only about 10 percent of those referred back involved a refusal without good cause.

AFDC: WORK INCENTIVE PROGRAM—NUMBERS OF RECIPIENTS ASSESSED FOR APPROPRIATENESS FOR REFERRAL, FOUND APPROPRIATE FOR REFERRAL, REFERRED FOR ENROLLMENT, ENROLLED,  
AND TRAINING SPACES, WITH PERCENTAGE COMPARISONS, BY REGION AND STATE, THROUGH AUGUST 1969 (PRELIMINARY, SUBJECT TO REVISION)

Region and State	Number of recipients assessed		Recipients referred to WIN		Cumulative enrollment		Training spaces approved for fiscal year 1970		Current enrollment	
	Appropriate for referral		As percent of total assessed	Number	As percent of referred	Number	As percent of referred	Number	As percent of training spaces approved	Number
	Total	Number								
Totals	1,183	101	227	135	19.2	163	991	72.2	91,912	56.0
Region I	30,113	9,703	32.2	10,341	106.6	6,204	60.0	6,204	109,403	68.479
Connecticut	14,644	2,644	18.1	2,644	100.0	1,654	62.6	1,654	4,4371	4,371
Maine	1,800	509	28.3	327	64.0	226	69.1	226	1,200	1,046
Massachusetts	10,405	4,767	45.8	5,729	1,120.2	3,338	58.3	3,338	400	160
New Mexico	(2)	(2)	52.4	(2)	1,230	(2)	(2)	(2)	2,512	2,512
Rhode Island	2,349	1,230	52.4	1,226	1,226	99.7	694	694	0	(2)
Vermont	915	553	60.4	415	75.0	292	56.6	56.6	600	457
Region II	646,265	56,820	8.8	23,998	42.2	15,662	65.3	20,510	13,194	196
Delaware	789	91	31.5	85	93.4	38	44.7	38	310	37
New Jersey	7,898	6,535	82.7	6,337	97.0	3,558	56.1	2,600	2,755	2,755
New York	613,423	42,485	6.9	10,221	24.1	6,734	65.9	12,000	5,965	3,106.0
Pennsylvania	24,755	7,099	31.3	7,355	95.4	5,322	72.5	5,322	4,437	4,437
Region III	74,919	25,582	34.1	18,731	73.3	14,693	78.4	19,563	11,331	57.9
District of Columbia	2,000	1,177	58.9	1,177	100.0	1,423	4121.3	1,423	1,440	1,081
Kentucky	17,118	7,250	42.4	2,214	30.5	1,874	84.6	1,874	1,637	1,637
Maryland	26,887	3,552	13.2	3,306	93.1	1,996	60.4	1,996	2,700	1,672
North Carolina	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	1,680	(2)
Puerto Rico	20,451	5,954	29.1	4,792	80.5	2,680	55.9	3,500	2,131	60.9
Virginia	1,353	761	56.2	719	94.5	613	85.3	800	559	559
Virgin Islands	(2)	(2)	96.5	6,523	95.1	6,102	(2)	43	(2)	(2)
West Virginia	7,110	6,858	28.6	3,604	55.0	2,480	69.3	7,400	4,251	4,251
Region IV	22,942	6,558	23.4	1,512	92.1	918	60.7	7,380	1,910	25.9
Alabama	7,008	1,641	(2)	(2)	(2)	(2)	(2)	(2)	800	671
Florida	(2)	(2)	29.4	303	100.0	55	18.2	2,640	(2)	83.9
Georgia	1,030	303	50.1	265	10.7	253	95.5	1,440	52	52
Mississippi	4,926	2,467	50.1	85	85	100.0	100.0	1,000	1,000	1,000
South Carolina	588	85	14.5	85	85	(2)	(2)	300	(2)	137
Tennessee	9,390	2,062	22.0	1,439	69.8	1,254	87.1	1,200	1,000	1,000
Region V	88,726	26,294	29.6	21,841	83.1	11,721	53.7	17,460	9,305	53.3
Illinois	9,323	6,026	64.6	5,351	88.8	2,120	39.6	5,000	1,494	29.9
Indiana	(2)	(2)	(2)	(2)	(2)	(2)	(2)	1,000	(2)	(2)

Michigan	60,305	9,364	15.5	9,364	100.0	4,689	50.1	5,000	3,889	77.8
Ohio	13,350	8,555	62.6	5,121	61.3	3,317	64.8	4,660	2,538	55.2
Wisconsin	5,748	2,549	44.3	2,005	78.7	1,595	79.6	1,860	1,384	74.4
Region VI	9,992	4,821	48.2	3,862	80.1	3,908	101.2	5,520	3,011	54.5
Iowa	735	516	70.2	620	44.6	600	-----	700	535	76.4
Kansas	3,266	1,242	38.0	1,036	83.4	849	81.9	700	580	82.9
Minnesota	3,442	1,442	100.0	1,6442	100.0	471	-----	1,200	441	36.8
Missouri	3,677	1,128	38.8	1,503	105.3	1,415	94.1	1,800	1,017	56.5
Nebraska	(2)	(2)	(2)	(2)	(2)	(2)	(2)	480	(2)	(2)
North Dakota	582	418	71.8	407	97.4	301	74.0	240	208	86.7
South Dakota	1,290	775	60.1	244	31.5	272	711.5	400	230	57.5
Region VII	12,550	2,779	22.1	887	31.9	793	89.4	4,950	669	13.5
Arkansas	1,274	205	16.1	76	37.1	59	77.6	950	59	6.2
Louisiana	8,399	1,681	20.0	764	45.4	634	85.6	1,500	535	35.7
New Mexico	47	47	100.0	647	100.0	80	-----	450	75	16.7
Oklahoma	2,830	846	29.9	(2)	(2)	(2)	(2)	1,600	(2)	(2)
Texas	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Region VIII	12,692	5,585	44.0	3,387	60.6	3,137	92.6	5,640	2,118	37.6
Colorado	8,931	3,290	36.8	1,301	39.5	1,166	89.6	2,600	727	28.0
Idaho	247	91	36.8	84	92.3	154	718.3	480	144	245
Montana	1,302	644	49.5	462	71.7	370	80.1	410	245	59.8
Utah	1,525	1,359	89.1	1,359	100.0	1,312	96.5	2,050	919	44.8
Wyoming	687	201	29.3	181	90.0	90.0	74.6	100	83	83.0
Region IX:	284,902	89,023	32.1	77,340	86.9	33,314	43.1	22,980	22,510	98.2
Alaska	633	327	51.7	6,327	100.0	351	-----	360	232	64.4
Arizona	10,256	3,351	34.6	61,392	39.2	1,381	99.2	1,680	936	55.7
California	204,384	71,674	35.1	64,048	89.4	27,483	42.9	16,800	18,812	3112.2
Guam	(3)	(3)	(3)	(3)	(3)	(3)	(3)	90	54	60.0
Hawaii	41,342	3,113	7.5	2,064	66.3	324	15.7	300	244	81.3
Nevada	(2)	(2)	(2)	(2)	(2)	(2)	(2)	0	(2)	(2)
Oregon	685	628	91.7	628	100.0	385	61.3	1,350	310	27.4
Washington	27,602	9,730	35.3	8,881	91.3	3,324	37.4	2,400	1,892	78.8

<sup>1</sup> Data for referrals beginning October 1968; on other items beginning December 1968.

<sup>2</sup> WIN program operations not yet initiated.

<sup>a</sup> Enrollment exceeds approved training spaces due to the number of trainees in holding status;

that is awaiting assignment or reassignment to training activity.

<sup>b</sup> Enrollment exceeds referrals; enrollees include persons in the temporary assistance for families

of unemployed parents program and are not referred through the regular referral process.

<sup>c</sup> Not reported.

<sup>d</sup> Incomplete data.

<sup>e</sup> Enrollment exceeds referrals because title V trainees were assigned directly to WIN without being referred.

## ASSESSMENT AND REFERRAL ACTIVITY—WORK INCENTIVE PROGRAM CUMULATIVE THROUGH JUNE 30, 1969

Number of recipients:	AFDC recipients									
	Total		Fathers		Mothers		Youth 16 and over		Other	
	Number	Per-cent	Number	Per-cent	Number	Per-cent	Number	Per-cent	Number	Per-cent
Assessed.....	921,769	100.0	160,403	17.4	634,824	68.9	111,073	12.0	15,469	1.7
Found appropriate for referral.....	183,336	100.0	75,240	40.6	97,647	52.7	8,562	4.6	3,887	2.1
Referred to WIN.....	135,455	100.0	55,162	40.7	71,461	52.8	5,677	4.2	3,155	2.3
Referred back to welfare agency (total).....	30,167	100.0	16,470	54.6	11,804	39.1	1,734	5.8	159	.5
(a) all reasons except refusal without good cause.....	26,788	88.8	14,934	49.5	10,125	33.5	1,585	5.3	144	.5
(b) refusal without good cause.....	3,379	11.2	1,536	5.1	1,679	5.6	149	.5	15	.5

TABLE 7.—AID TO FAMILIES WITH DEPENDENT CHILDREN: REASONS INDIVIDUALS WERE FOUND INAPPROPRIATE FOR REFERRAL TO MANPOWER AGENCY UNDER WORK INCENTIVE PROGRAM,  
BY STATE, JANUARY-MARCH 1968

State	Total	Illness, disability and/or advanced age	Remoteness from WIN projects	Individuals found inappropriate for referral to manpower agency				Currently receiving or referred to other education or training	Other
				Child aged 16 to 20 attending school full time	Required in home be- cause of illness or incapacity of other member of household	Adequate child care arrangements not currently available	Required in home be- cause of age or number of children		
Total:	188,445	16,707	7,974	25,942	5,194	50,512	62,929	1,707	2,842
Number	100.0	9.2	4.4	14.3	2.9	27.8	34.6	1.6	4.4
Percent <sup>1</sup>	100.0	26.4	2.5	7.1	5.7	15.6	15.5	1.0	23.1
Percent <sup>1</sup> , New York excluded	100.0								
Arizona	796	253	102	81	56	36	8	33	18
Colorado	323	96	8	3	25	61	40	8	4
Connecticut	155	531	18	1	112	510	517	2	41
District of Columbia <sup>2</sup>	34	833	10	605	77	440	1,481	47	117
Hawaii <sup>3</sup>	181	173	2	0	19	46	75	5	44
Kansas	483	1,249	92	0	366	11	175	19	60
Kentucky	2,257	52	261	83	163	299	11	17	17
Louisiana	2,002	623	52	17	50	33	0	7	7
Maine	234	54	7	3	1,844	828	71	165	165
Maryland	7,290	2,054	99	395	324	22	29	33	9
Massachusetts	1,166	252	54	253	46	5	10	4	4
Mississippi	314	35	2	1	1	2	10	4	251
Missouri	195	64	14	53	9	11	9	12	4
Montana	533	187	5	3	43	10	30	32	55
New Jersey	153,560	9,247	7,266	23,931	3,592	46,111	58,559	1,420	1,968
New York	38	13	3	1	2	0	9	3	1
North Dakota	511	493	166	134	322	852	389	11	244
Puerto Rico	443	68	0	23	10	7	75	3	5
Rhode Island	301	66	13	57	11	9	53	2	19
South Dakota	650	123	28	92	24	64	32	2	21
Tennessee	61	49	1	0	0	0	0	0	3
Utah	12	5	0	0	1	1	1	0	4
Vermont	117	11	0	0	10	80	5	1	7
Virginia	46	14	0	0	0	1	1	2	1
Washington <sup>4</sup>	890	157	34	42	20	110	256	15	25
West Virginia	209	39	8	1	7	71	15	1	3
Wisconsin									
Wyoming									

<sup>1</sup> Percentages exclude Washington State's data.

<sup>2</sup> Excludes data of non-AFDC recipients under temporary assistance program for families of unemployed patients.

<sup>3</sup> Includes July 1968, through March 1969 cumulative data.

<sup>4</sup> Total data only submitted.

## NUMBER AND PERCENT DISTRIBUTION OF ASSESSMENTS COMPLETED CUMULATIVE THROUGH JUNE 30, 1969

Specified types of individuals	Assessments completed		Appropriate for referral		Not appropriate for referral	
	Number	Percent	Number	Percent	Number	Percent
Total.....	921,769	100.0	183,336	19.9	738,433	80.1
Fathers.....	160,403	17.4	75,240	46.9	85,163	53.1
Mothers.....	634,824	68.9	97,647	15.4	537,177	84.6
Other.....	13,731	1.5	1,484	10.8	12,247	89.2
Youth 16 and over.....	111,073	12.0	8,562	7.7	102,511	92.3
Other individuals.....	1,783	.2	403	23.2	1,335	76.8

## TOTAL ASSESSMENTS OF AFDC RECIPIENTS FOR WORK INCENTIVE PROGRAM BY STATE AND CATEGORY OF RECIPIENT—CUMULATIVE THROUGH JUNE 30, 1969

State	Total	Categories of recipients			
		Fathers	Mothers	16 and over	Other
Total.....	921,769	160,403	634,824	111,073	15,469
1. Alabama.....	6,016	315	4,620	858	223
2. Alaska.....	539	11	437	83	8
3. Arizona.....	9,781	1,080	6,888	1,643	170
4. Arkansas <sup>1</sup> .....					
5. California.....	185,278	60,402	117,864	5,596	1,416
6. Colorado.....	7,886	1,060	6,538	0	288
7. Connecticut.....	11,229	652	10,227	227	123
8. Delaware <sup>1</sup> .....					
9. District of Columbia.....	1,412	0	1,013	398	1
10. Florida <sup>1</sup> .....					
11. Georgia <sup>1</sup> .....					
12. Hawaii.....	5,212	1,212	3,308	623	69
13. Idaho <sup>1</sup> .....					
14. Illinois.....	8,689	4,111	1,463	3,108	7
15. Indiana <sup>1</sup> .....					
16. Iowa <sup>2</sup> .....					
17. Kansas.....	2,621	399	2,064	112	46
18. Kentucky.....	13,677	1,904	11,773	0	0
19. Louisiana.....	6,296	187	5,225	710	174
20. Maine.....	1,739	138	1,489	108	4
21. Maryland.....	21,348	1,990	16,267	2,719	372
22. Massachusetts.....	3,025	1,081	1,894	50	0
23. Michigan.....	46,405	2,604	28,850	11,533	3,418
24. Minnesota <sup>1</sup> .....					
25. Mississippi.....	4,196	147	3,475	481	93
26. Missouri.....	3,456	85	2,906	60	405
27. Montana.....	1,094	47	917	99	31
28. Nebraska <sup>1</sup> .....					
29. Nevada <sup>1</sup> .....					
30. New Hampshire <sup>1</sup> .....					
31. New Jersey.....	7,058	2,126	4,678	243	11
32. New Mexico <sup>1</sup> .....					
33. New York.....	483,816	59,145	348,417	69,231	7,023
34. North Carolina <sup>1</sup> .....					
35. North Dakota.....	522	25	453	42	2
36. Ohio.....	8,313	3,547	2,040	2,605	121
37. Oklahoma <sup>1</sup> .....					
38. Oregon <sup>1</sup> .....					
39. Pennsylvania.....	18,655	5,420	11,003	2,028	204
40. Rhode Island.....	1,502	350	932	129	91
41. South Carolina <sup>1</sup> .....					
42. South Dakota.....	1,198	37	928	147	86
43. Tennessee.....	8,330	58	6,954	729	589
44. Texas <sup>1</sup> .....					
45. Utah.....	1,193	768	380	34	11
46. Vermont.....	705	116	527	45	17
47. Virginia.....	1,237	2	1,234	0	1
48. Washington.....	25,394	4,577	16,714	3,686	417
49. West Virginia.....	3,884	3,511	369	4	0
50. Wisconsin.....	4,475	970	3,019	463	23
51. Wyoming.....	661	3	632	1	25
52. Guam <sup>2</sup> .....					
53. Puerto Rico.....	14,927	2,323	9,326	3,278	0
54. Virgin Islands <sup>2</sup> .....					

<sup>1</sup> States with legal barriers.<sup>2</sup> Not reported.

TOTAL AFDC RECIPIENTS FOUND APPROPRIATE FOR REFERRAL TO WIN BY STATE AND CATEGORY OF RECIPIENT  
CUMULATIVE THROUGH JUNE 30, 1969

	Total	Fathers	Mothers	16 and over	Other
Total.....	183,336	75,240	97,647	8,562	1,887
1. Alabama.....	1,410	5	1,327	70	8
2. Alaska.....	276	3	258	15	0
3. Arizona.....	3,428	30	3,089	276	33
4. Arkansas <sup>1</sup> .....					
5. California.....	65,916	32,001	33,008	790	117
6. Colorado.....	3,007	712	2,288	0	7
7. Connecticut.....	2,227	202	1,952	71	2
8. Delaware <sup>1</sup> .....					
9. District of Columbia.....	1,070	0	785	285	0
10. Florida <sup>1</sup> .....					
11. Georgia <sup>1</sup> .....					
12. Hawaii.....	268	174	75	19	0
13. Idaho <sup>1</sup> .....					
14. Illinois.....	5,559	3,998	899	659	3
15. Indiana <sup>1</sup> .....					
16. Iowa <sup>2</sup> .....					
17. Kansas.....	1,003	222	685	81	15
18. Kentucky.....	6,875	227	6,648	0	0
19. Louisiana.....	1,142	10	1,087	43	2
20. Maine.....	453	63	313	76	1
21. Maryland.....	3,194	329	2,504	296	65
22. Massachusetts.....	2,200	848	1,312	40	0
23. Michigan.....	6,714	918	4,720	516	560
24. Minnesota <sup>1</sup> .....					
25. Mississippi.....	2,145	36	2,036	36	37
26. Missouri.....	1,346	65	1,108	17	156
27. Montana.....	468	6	413	35	14
28. Nebraska <sup>1</sup> .....					
29. Nevada <sup>1</sup> .....					
30. New Hampshire <sup>1</sup> .....					
31. New Jersey.....	5,989	1,612	4,198	171	8
32. New Mexico <sup>1</sup> .....					
33. New York.....	33,708	19,224	11,901	1,928	655
34. North Carolina <sup>1</sup> .....					
35. North Dakota.....	367	13	333	19	2
36. Ohio.....	4,720	2,825	1,276	618	1
37. Oklahoma <sup>1</sup> .....					
38. Oregon <sup>1</sup> .....					
39. Pennsylvania.....	5,409	2,928	2,191	265	25
40. Rhode Island.....	846	198	565	56	27
41. South Carolina <sup>1</sup> .....					
42. South Dakota.....	713	16	584	77	36
43. Tennessee.....	1,754	3	1,675	75	1
44. Texas <sup>1</sup> .....					
45. Utah.....	1,100	709	355	27	9
46. Vermont.....	450	75	363	10	2
47. Virginia.....	676	2	673	0	1
48. Washington.....	9,133	3,246	4,910	879	98
49. West Virginia.....	3,737	3,398	335	4	0
50. Wisconsin.....	1,948	751	1,013	182	2
51. Wyoming.....	172	0	171	1	0
52. Guam <sup>2</sup> .....					
53. Puerto Rico.....	3,913	391	2,597	925	0
54. Virgin Islands <sup>2</sup> .....					

<sup>1</sup> States with legal barrier.<sup>2</sup> Not reported.

Source: Form SRS-T-2085.

TOTAL AFDC RECIPIENTS REFERRED TO MANPOWER AGENCY FOR ENROLLMENT IN WIN BY STATE AND BY  
CATEGORY OF RECIPIENT, CUMULATIVE THROUGH JUNE 30, 1969

State	Total	Fathers	Mothers	16 and over	Other
Total.....	133,455	55,162	71,461	5,677	1,155
1. Alabama.....	1,281	5	1,200	62	14
2. Alaska.....	276	3	258	15	0
3. Arizona.....	1,173	13	1,102	51	7
4. Arkansas <sup>1</sup> .....					
5. California.....	58,857	29,123	29,080	579	75
6. Colorado.....	1,239	663	576	0	0
7. Connecticut.....	2,227	202	1,951	72	2
8. Delaware <sup>1</sup> .....					
9. District of Columbia.....	1,070	0	785	285	0
10. Florida <sup>1</sup> .....					
11. Georgia <sup>1</sup> .....					
12. Hawaii.....	62	48	14	0	0
13. Idaho <sup>1</sup> .....					
14. Illinois.....	5,043	3,684	717	642	0
15. Indiana <sup>1</sup> .....					
16. Iowa <sup>2</sup> .....					
17. Kansas.....	814	207	533	64	10
18. Kentucky.....	1,839	4	1,835	0	0
19. Louisiana.....	616	3	606	7	0
20. Maine.....	271	54	194	22	1
21. Maryland.....	2,978	328	2,300	287	63
22. Massachusetts.....	2,813	1,063	1,740	10	0
23. Michigan.....	6,714	918	4,720	516	560
24. Minnesota <sup>1</sup> .....					
25. Mississippi.....	203	1	201	1	0
26. Missouri.....	1,346	65	1,108	17	156
27. Montana.....	392	7	344	33	8
28. Nebraska <sup>1</sup> .....					
29. Nevada <sup>1</sup> .....					
30. New Hampshire <sup>1</sup> .....					
31. New Jersey.....	5,890	1,600	4,120	162	8
32. New Mexico <sup>1</sup> .....					
33. New York.....	9,186	4,620	3,940	516	110
34. North Carolina <sup>1</sup> .....					
35. North Dakota.....	356	13	325	16	2
36. Ohio.....	2,428	1,475	766	186	1
37. Oklahoma <sup>1</sup> .....					
38. Oregon <sup>1</sup> .....					
39. Pennsylvania.....	5,190	2,749	2,172	255	14
40. Rhode Island.....	846	198	566	55	27
41. South Carolina <sup>1</sup> .....					
42. South Dakota.....	209	5	190	9	5
43. Tennessee.....	1,251	2	1,178	70	1
44. Texas <sup>1</sup> .....					
45. Utah.....	1,100	709	355	27	9
46. Vermont.....	323	65	249	7	2
47. Virginia.....	634	1	632	0	1
48. Washington.....	8,515	3,147	4,448	841	79
49. West Virginia.....	3,494	3,195	295	4	0
50. Wisconsin.....	1,429	682	639	108	0
51. Wyoming.....	156	0	154	2	0
52. Guam <sup>2</sup> .....					
53. Puerto Rico.....	3,234	310	2,168	756	0
54. Virgin Islands <sup>2</sup> .....					

<sup>1</sup> States with legal barrier.<sup>2</sup> Not reported.

Source: Form SRS-T-2085.

TOTAL AFDC RECIPIENTS FOUND INAPPROPRIATE FOR REFERRAL TO WIN BY STATE AND BY CATEGORY OF  
RECIPIENTS—CUMULATIVE THROUGH JUNE 30, 1969

State	Total	Categories of recipients			
		Father	Mother	16 and over	Other
Totals.....	738,433	85,163	537,177	102,511	13,582
1. Alabama.....	4,066	310	3,293	788	215
2. Alaska.....	263	8	179	68	8
3. Arizona.....	6,353	1,050	3,799	1,367	137
4. Arkansas <sup>1</sup> .....					
5. California.....	119,362	28,401	84,856	4,806	1,299
6. Colorado.....	4,879	348	4,250	0	281
7. Connecticut.....	9,002	450	8,275	156	121
8. Delaware <sup>1</sup> .....					
9. District of Columbia.....	342	0	228	113	1
10. Florida <sup>1</sup> .....					
11. Georgia <sup>1</sup> .....					
12. Hawaii.....	4,944	1,038	3,233	604	69
13. Idaho <sup>1</sup> .....					
14. Illinois.....	3,130	113	564	2,449	4
15. Indiana <sup>1</sup> .....					
16. Iowa <sup>2</sup> .....					
17. Kansas.....	1,618	177	1,379	31	31
18. Kentucky.....	6,802	1,677	5,125	0	0
19. Louisiana.....	5,154	177	4,138	667	172
20. Maine.....	1,286	75	1,176	32	3
21. Maryland.....	18,154	1,661	13,763	2,423	307
22. Massachusetts.....	825	233	582	10	0
23. Michigan.....	39,691	1,686	24,130	11,017	2,858
24. Minnesota <sup>1</sup> .....					
25. Mississippi.....	2,051	111	1,439	445	56
26. Missouri.....	2,110	20	1,798	43	249
27. Montana.....	626	41	504	64	17
28. Nebraska <sup>1</sup> .....					
29. Nevada <sup>1</sup> .....					
30. New Hampshire <sup>1</sup> .....					
31. New Jersey.....	1,069	514	480	72	3
32. New Mexico.....					
33. New York.....	450,108	39,921	336,516	67,303	6,368
34. North Carolina <sup>1</sup> .....					
35. North Dakota.....	155	12	120	23	0
36. Ohio.....	3,593	722	764	1,987	120
37. Oklahoma <sup>1</sup> .....					
38. Oregon <sup>1</sup> .....					
39. Pennsylvania.....	13,246	2,492	8,812	1,763	179
40. Rhode Island.....	656	152	367	73	64
41. South Carolina <sup>1</sup> .....					
42. South Dakota.....	485	21	344	70	50
43. Tennessee.....	6,576	55	5,279	654	588
44. Texas <sup>1</sup> .....					
45. Utah.....	93	59	25	7	2
46. Vermont.....	255	41	164	35	15
47. Virginia.....	561	0	561	0	0
48. Washington.....	16,261	1,331	11,804	2,807	319
49. West Virginia.....	147	113	34	0	0
50. Wisconsin.....	2,527	219	2,006	281	21
51. Wyoming.....	489	3	461	0	25
52. Guam <sup>1</sup> .....					
53. Puerto Rico.....	11,014	1,932	6,729	2,353	0
54. Virgin Islands <sup>2</sup> .....					

<sup>1</sup> States with legal barrier.

<sup>2</sup> Not reported.

Source: Form SRS-T 2085.

TOTAL AFDC RECIPIENTS REFERRED BACK TO THE WELFARE AGENCY AS INAPPROPRIATE FOR ENROLLMENT  
BY STATE AND CATEGORY OF RECIPIENT, CUMULATIVE THROUGH JUNE 30, 1969<sup>1</sup>

	Total	Fathers	Mothers	16 and over	Others
Total.....	30,167	16,470	11,804	1,734	159
1. Alabama.....	131	2	117	12	0
2. Alaska.....	75	0	75	0	0
3. Arizona.....	253	4	241	6	2
4. Arkansas <sup>2</sup> .....					
5. California.....	18,124	11,987	5,989	130	18
6. Colorado.....	84	45	39	0	0
7. Connecticut.....	548	66	460	20	0
8. Delaware <sup>2</sup> .....					
9. District of Columbia.....	525	0	337	188	0
10. Florida <sup>2</sup> .....					
11. Georgia <sup>3</sup> .....					
12. Hawaii.....	2	1	1	0	0
13. Idaho <sup>2</sup> .....					
14. Illinois.....	956	823	86	46	1
15. Indiana <sup>2</sup> .....					
16. Iowa <sup>3</sup> .....					
17. Kansas.....	230	91	113	24	2
18. Kentucky.....	147	0	147	0	0
19. Louisiana.....	75	0	73	2	0
20. Maine.....	25	5	19	1	0
21. Maryland.....	194	19	130	43	2
22. Massachusetts.....	82	4	13	63	2
23. Michigan.....	1,177	50	501	571	55
24. Minnesota <sup>2</sup> .....					
25. Mississippi.....	0	0	0	0	0
26. Missouri.....	105	5	76	0	24
27. Montana.....	87	2	64	15	6
28. Nebraska <sup>2</sup> .....					
29. Nevada <sup>2</sup> .....					
30. New Hampshire <sup>2</sup> .....					
31. New Jersey.....	488	212	258	9	9
32. New Mexico <sup>2</sup> .....					
33. New York.....	284	88	180	16	0
34. North Carolina <sup>2</sup> .....					
35. North Dakota.....	210	28	173	7	2
36. Ohio.....	387	133	235	18	1
37. Oklahoma <sup>2</sup> .....					
38. Oregon <sup>2</sup> .....					
39. Pennsylvania.....	726	447	238	38	3
40. Rhode Island.....	220	42	152	14	12
41. South Carolina <sup>2</sup> .....					
42. South Dakota.....	0	0	0	0	0
43. Tennessee.....	151	0	139	12	0
44. Texas <sup>2</sup> .....					
45. Utah.....	0	0	0	0	0
46. Vermont.....	82	11	71	0	0
47. Virginia.....	57	0	57	0	0
48. Washington.....	3,186	1,743	1,156	270	17
49. West Virginia.....	391	374	16	1	0
50. Wisconsin.....	167	108	48	10	1
51. Wyoming.....	15	0	15	0	0
52. Guam <sup>3</sup> .....					
53. Puerto Rico.....	983	180	585	218	0
54. Virgin Islands <sup>3</sup> .....					

<sup>1</sup> Includes 3,379 recipients who refused enrollment without good cause.

<sup>2</sup> States with legal barrier.

<sup>3</sup> Not reported.

TOTAL AFDC RECIPIENTS WHO REFUSED WITHOUT GOOD CAUSE TO ACCEPT ENROLLMENT IN WIN—BY STATE  
AND BY CATEGORY OF RECIPIENT—CUMULATIVE THROUGH JUNE 30, 1969

	Total	Fathers	Mothers	16 and over	Other
Total	3,379	1,536	1,679	149	15
1. Alabama	25	0	21	4	0
2. Alaska	0	0	0	0	0
3. Arizona	0	0	0	0	0
4. Arkansas <sup>1</sup>					
5. California	2,531	1,253	1,248	29	1
6. Colorado	1	0	1	0	0
7. Connecticut	0	0	0	0	0
8. Delaware <sup>1</sup>					
9. District of Columbia	0	0	0	0	0
10. Florida <sup>1</sup>					
11. Georgia <sup>1</sup>					
12. Hawaii	0	0	0	0	0
13. Idaho <sup>1</sup>					
14. Illinois	76	40	23	13	0
15. Indiana <sup>1</sup>					
16. Iowa <sup>2</sup>					
17. Kansas	22	14	6	2	0
18. Kentucky	0	0	0	0	0
19. Louisiana	3	0	3	0	0
20. Maine	4	1	3	0	0
21. Maryland	56	2	41	12	1
22. Massachusetts	0	0	0	0	0
23. Michigan	7	3	3	1	0
24. Minnesota <sup>1</sup>					
25. Mississippi	0	0	0	0	0
26. Missouri	21	0	13	0	8
27. Montana	18	0	13	5	0
28. Nebraska <sup>1</sup>					
29. Nevada <sup>1</sup>					
30. New Hampshire <sup>1</sup>					
31. New Jersey	44	13	26	5	0
32. New Mexico <sup>1</sup>					
33. New York	27	21	5	1	0
34. North Carolina <sup>1</sup>					
35. North Dakota	5	0	5	0	0
36. Ohio	60	8	52	0	0
37. Oklahoma <sup>1</sup>					
38. Oregon <sup>1</sup>					
39. Pennsylvania	11	9	1	1	0
40. Rhode Island	18	2	11	1	4
41. South Carolina <sup>1</sup>					
42. South Dakota	0	0	0	0	0
43. Tennessee	4	0	4	0	0
44. Texas <sup>1</sup>					
45. Utah	0	0	0	0	0
46. Vermont	14	3	11	0	0
47. Virginia	1	0	1	0	0
48. Washington	200	83	61	55	1
49. West Virginia	46	45	1	0	0
50. Wisconsin	18	17	1	0	0
51. Wyoming	1	0	1	0	0
52. Guam <sup>2</sup>					
53. Puerto Rico	166	22	124	20	0
54. Virgin Islands <sup>2</sup>					

<sup>1</sup> States with legal barrier.

<sup>2</sup> Not reported.

REQUEST 5 (E)

*List State by State amount of funds expended and the number of people in education and vocational training under the social services provisions of the Social Security Act.*

## RESPONSE 5 (E)

Information on funds expended is not available. As a result of a special request made in August 1969, we obtained information on number of AFDC recipients in education and training from 24 of the 54 jurisdictions. Reports were not received or the information was not available for the remaining 30 jurisdictions.

## Numbers of recipients enrolled in education and/or training

Source of education or training	Paid for in part or wholly with AFDC funds		No expenditure of AFDC funds	
	Total enrollees fiscal year 1969	Enrollees as of June 30, 1969	Total enrollees fiscal year 1969	Enrollees as of June 30, 1969
Public or private schools.....	7,507	6,544	2,323	603
State vocational rehabilitation agency.....	3,235	1,837	11,464	3,139
State public welfare agency.....	7,018	2,523	-	-
Other State agencies.....	3,389	686	738	434
MDTA (institutional).....	3,929	1,253	-	-
CAA (community action agency).....	694	291	2,460	772
Other Federal agencies (exclude DOL administered programs).....	614	453	67	5
Voluntary agencies.....	24	20	1,640	800
Total.....	26,410	13,607	18,692	5,753

NUMBER OF AFDC RECIPIENTS RECEIVING EDUCATION AND TRAINING UNDER SOCIAL SERVICES BY STATE, FISCAL YEAR 1969<sup>1</sup>

State	Enrollees		Enrollees		
	During fiscal year 1969	As of June 30, 1969	State	During fiscal year 1969	As of June 30, 1969
Total.....	46,570	22,729	27. Montana.....	132	18
1. Alabama <sup>2</sup> .....			28. Nebraska <sup>4</sup> .....		
2. Alaska.....	345	150	29. Nevada.....	403	301
3. Arizona <sup>3</sup> .....			30. New Hampshire <sup>4</sup> .....		
4. Arkansas.....	0	0	31. New Jersey <sup>2</sup> .....		
5. California <sup>3</sup> .....	3,594	3,594	32. New Mexico <sup>3</sup> .....	2,396	2,396
6. Colorado.....	380	249	33. New York <sup>3</sup> .....	7,000	3,500
7. Connecticut <sup>1</sup> .....			34. North Carolina <sup>2</sup> .....		
8. Delaware <sup>4</sup> .....			35. North Dakota <sup>4</sup> .....		
9. District of Columbia.....	88	38	36. Ohio <sup>2</sup> .....		
10. Florida <sup>2</sup> .....			37. Oklahoma.....	1,072	538
11. Georgia <sup>3</sup> .....	3,502		38. Oregon.....	403	301
12. Hawaii <sup>2</sup> .....			39. Pennsylvania.....	18,200	5,780
13. Idaho <sup>2</sup> .....			40. Rhode Island <sup>3</sup> .....		
14. Illinois <sup>3</sup> .....	3,699	3,699	41. South Carolina <sup>2</sup> .....		
15. Indiana <sup>3</sup> .....	60	12	42. South Dakota <sup>4</sup> .....		
16. Iowa <sup>4</sup> .....			43. Tennessee <sup>2</sup> .....		
17. Kansas <sup>4</sup> .....			44. Texas <sup>2</sup> .....		
18. Kentucky.....	0	0	45. Utah.....	2,591	474
19. Louisiana.....	1,891	1,641	46. Vermont <sup>2</sup> .....		
20. Maine <sup>2</sup> .....			47. Virginia.....	0	0
21. Maryland.....	0	0	48. Washington <sup>2</sup> .....		
22. Massachusetts <sup>2</sup> .....			49. West Virginia.....	0	0
23. Michigan <sup>2</sup> .....			50. Wisconsin <sup>4</sup> .....		
24. Minnesota <sup>4</sup> .....			51. Wyoming <sup>2</sup> .....		
25. Mississippi <sup>2</sup> .....			52. Guam.....	23	23
26. Missouri <sup>4</sup> .....			53. Puerto Rico.....	791	15

<sup>1</sup> Count based on components (i.e., ABE, GED, vocational education, etc.), thus duplicate counting occurs where enrollee is enrolled in more than 1 component.

<sup>2</sup> Not available.

<sup>3</sup> Data incomplete.

<sup>4</sup> Not reported.

## REQUEST 5 (F)

*Please explain why New York and California with relatively similar welfare populations have such widely different program statistics; that is, assessments as to determination of appropriateness, referrals and WIN enrollments.*

## RESPONSE 5 (F)

We have communicated with the Department of Social Services in New York State concerning the relatively small number of referrals and enrollments in the WIN program in comparison with California, a State in which the total number of families receiving AFDC is about the same as New York's.

There have been problems particularly in New York City, and to a lesser extent in one or two other urban communities in the State, in initiating and developing the WIN program. Since New York City has 70 percent of the total caseload of the State, the State statistics mainly reflect the problems that have arisen in New York City.

Following is a copy of a telegram received from the New York State Commissioner explaining the situation:

Re Your October 29 request comparing New York WIN statistics with those of California.

Objective comparison is not possible without having operational guidelines and definitions used by California and effective starting dates of program implementation.

New York City Social Services District with about 70 percent of allocated slots and 70 percent of AFDC caseload did not consummate WIN agreement and receive necessary Federal approval until latter part 1968. Also numerous subcontracts for services to be supplied by local public and private agencies delayed effective starting until Spring 1969.

Pleased to report that September 1969 statistics indicate significant improvement in referrals, increase in enrollees and number of enrollees in education and training. Program is gaining momentum and we anticipate full utilization of allocated slots.

Mothers constitute over 200,000 of approximately 315,000 adults assessed. Lack of day care facilities precludes participation for most in this category. New fifty million dollar State construction loan program for constructing day care facilities should help correct situation.

We have also received a letter dated October 29, 1969 from the State Department of Social Services which elucidates further the situation in New York City. The following paragraphs are quoted from this letter:

"It is quite true that the enrollment figures in New York City do reflect problems in the New York City referral procedures. Until recently, the lack of sufficient facilities to complete pre-referral medical examinations had resulted in many referral delays, but this matter has now been resolved by the setting up of special medical panels and through arrangements with several hospitals. A second problem was the controls which the City Department of Social Services had kept to insure the referral of appropriate cases. Another problem related to the large number of participants kept in hold status, by the State Employment Service, and the slowness in arranging institutional placements.

"These difficulties have been the subject of a number of meetings with the staff of the New York City Department of Social Services, culminating with an all day series of meetings with the City Department of Social Services, the State Employment Service, and this Department on October 10, 1969.

"At that meeting all parties concerned, agreed to special methods to insure that WIN goals will be kept. Commissioner Costa agreed that there was a definite need to strengthen controls at the social service center level in order to insure a smoother flow of referrals. A number of steps have been taken to correct this matter, and it is expected that the number of referrals will double by the end of November. Steps were also arranged to speed up the solution of difficulties in problem cases."

These reports on the New York City situation account for the widely different referral and enrollment statistics reported from California and New York.

## REQUEST 6(A)

*A detailed summary and analysis of activities to furnish day care to AFDC families (see table attached):*

*A description by State, of the amount of day care which has been provided under the WIN program.*

## RESPONSE 6(A)

A total of 30,380 children were receiving WIN child care as of June 30, 1969 in the 27 WIN States that reported. The 9 WIN States for which data were not reported (including California) accounted for almost one-half the enrollees in the WIN program. From this base we estimated that 57,000 children were receiving WIN child care at the close of fiscal year 1969.

We estimated that 66,000 children received child care during fiscal year 1969. Practically all of these children were served during the last half of fiscal year 1969. During the first half of the year most enrollees were either unemployed fathers or mothers without need of child care assistance.

## REQUEST 6(B)

*A study of the nature of the day care which has been provided under WIN—whether in family homes, day care centers, baby sitters, etc.*

## RESPONSE 6(B)

Among those children who received child care in 27 States, more than half were cared for in their own homes. Of those who received out of home care, about 10% were in group day care; nearly 25% in family day care and almost 14% in day care centers. Eleven States had 50% or more of their children being cared for in their own homes. These are small urban and rural project areas including Tennessee, Vermont, Puerto Rico, Mississippi and Kentucky. An exception here is Maryland, where the urban project carries 80% of the enrollees, however, 96% of the children received day care in their own homes and only 4% had out of home care. Maryland's mothers are voluntary referrals. From this, an assumption could be that they have made child care arrangements with baby sitters, since payment is made to the enrollee. More than half of the States reporting show at least 50% of the children receiving out of home care. Among these States are Alaska, Arizona and Montana where enrollees are mostly rural Indians or Spanish speaking people. Indian agency schools sponsor day care centers in some of these project areas. District of Columbia, Massachusetts, New Jersey and Rhode Island with large urban projects averaged nearly 85% of out of home care.

**CHILD CARE—WORK INCENTIVE PROGRAM**  
 [Includes reports from 29 of the 38 WIN States]

Number of children who received child care

State	During last quarter fiscal year 1969	Enrolled as of June 30, 1969				
		Total	Out of home care, total	Group day care	Family day care	Day care center
Total.	48,946	130,380	2 13,675	2,703	6,706	4,081
Alabama	2,153	870	376	79	123	174
Alaska	825	277	139	46	46	47
Arizona	788	665	629	173	416	40
Arkansas <sup>3</sup>	0	0	0	0	0	0
California	(4)	(4)	(4)	(4)	(4)	(4)
Colorado	740	715	375	0	125	250
Connecticut	(4)	(4)	(4)	(4)	(4)	(4)
Delaware <sup>3</sup>	0	0	0	0	0	0
District of Columbia	5 404	404	345	0	45	300
Florida <sup>3</sup>	0	0	0	0	0	0
Georgia <sup>3</sup>	0	0	0	0	0	0
Hawaii	10	10	(4)	(4)	(4)	(4)
Idaho <sup>3</sup>	0	0	0	0	0	0
Illinois <sup>3</sup>	0	0	0	0	0	0
Indiana <sup>3</sup>	0	0	0	0	0	0
Iowa	(4)	(4)	(4)	(4)	(4)	(4)
Kansas	(4)	(4)	(4)	(4)	(4)	(4)
Kentucky	2,579	2,325	825	0	525	300
Louisiana	1,990	634	443	0	336	107
Maine	(4)	(4)	(4)	(4)	(4)	(4)
Maryland	5 2,545	2,545	61	0	24	37
Massachusetts	1,700	1,500	1,200	0	900	300
Michigan	5 1,068	1,068	87	(4)	(4)	(4)
Minnesota <sup>3</sup>	0	0	0	0	0	0
Mississippi	5 118	118	45	0	13	32
Missouri	(4)	(4)	(4)	(4)	(4)	(4)
Montana	628	250	150	(4)	121	29
Nebraska <sup>3</sup>	0	0	0	0	0	0
Nevada <sup>3</sup>	0	0	0	0	0	0
New Hampshire <sup>3</sup>	0	0	0	0	0	0
New Jersey	1,728	1,728	1,555	0	1,089	466
New Mexico <sup>3</sup>	0	0	0	0	0	0
New York	17,000	6,000	3,600	2,400	1,020	180
North Carolina <sup>3</sup>	0	0	0	0	0	0
North Dakota	(4)	(4)	(4)	(4)	(4)	(4)
Ohio	126	87	27	5	12	10
Oklahoma <sup>3</sup>	0	0	0	0	0	0
Oregon <sup>3</sup>	0	0	0	0	0	0
Pennsylvania	6,500	4,800	1,900	0	1,000	900
Rhode Island	360	209	182	0	40	142
South Carolina <sup>3</sup>	0	0	0	0	0	0
South Dakota	(4)	(4)	(4)	(4)	(4)	(4)
Tennessee	5 1,634	1,634	158	(4)	58	100
Texas <sup>3</sup>	0	0	0	0	0	0
Utah	5 150	150	98	(4)	(4)	(4)
Vermont	165	138	7	0	0	7
Virginia	1,146	1,146	743	0	483	260
Washington	2,000	1,500	(4)	(4)	(4)	(4)
West Virginia	171	58	0	0	0	0
Wisconsin	1,550	1,400	700	0	300	400
Wyoming	22	14	(4)	(4)	(4)	(4)
Guam <sup>3</sup>	0	0	0	0	0	0
Puerto Rico	846	135	30	0	30	0
Virgin Islands	(4)	(4)	(4)	(4)	(4)	(4)

<sup>1</sup> Includes 1,534 not distributed by subcategories.

<sup>2</sup> Includes 185 not distributed by subcategories.

<sup>3</sup> Legal barrier or WIN program not initiated by June 30, 1969.

<sup>4</sup> Not available.

<sup>5</sup> On-board as of June 30, 1969, data for last quarter fiscal year 1969 not available.

Source: Special survey on education and training activities of AFDC recipients.

## REQUEST 6 (C)

*A description, by State, of the amount of day care provided under the social services matching provisions of Title IV.*

## RESPONSE 6 (C)

Statistics are not currently available, State by State, on the number of children or the amount of expenditures for day care provided under the social services matching provisions of Title IV, Part A (other than those previously reported under the WIN program). HEW included a question on this point in its inquiry to the nine States on October 27, 1969. The following information is based upon reports received from these States.

Day care and other child care services are being provided for AFDC children (other than those cared for under the WIN program) under Title IV, Part A in all of the reporting States. The statistical information has been reported differently by the various States and therefore cannot be aggregated. A number of State statistics may be presented, however, to illustrate developments.

Ohio reported the following allocations for fiscal year 1969-70: \$48,797 for day care in family day care homes, \$115,323 for operation of day care centers, and \$133,248 for purchase by county agencies of care in day care centers. Illinois reported that during the year ending October 1969, a monthly average of 4,700 cases were receiving child care services and the annual amount expended was somewhat in excess of \$4 million. Most of this sum was for child care necessitated by employment of the AFDC mother, but for others it was necessitated by education and training programs and other reasons. Wisconsin reported that of July 1969 there were approximately 4,500 AFDC Children, exclusive of those under the WIN program, receiving child care at a total cost for that month of about \$98,400. California reported the estimated number of AFDC children provided child care during fiscal year 1969-70 as 14,800 children, with expenditures approximating \$1.3 million. California, in addition, spent \$924,000 to provide day care for children or migrant workers in 22 camps. California also provides a type of day care with an education focus, known as the preschool educational program, that is funded under Title IV, Part A. During fiscal year 1969-70, 12,660 AFDC children and 2,000 children in families potentially eligible for AFDC, were provided service at a cost of about \$16.5 million. New York reported that during calendar year 1968, 22,000 AFDC children were provided child care at a cost of about \$10 million. New York State has also reported a most significant breakthrough in the availability of funds for construction of day care centers. The Youth Facilities Improvement Act, which became effective September 1, 1969, provides \$50,000,000 in long-term low interest loans for constructing, renovating and equipping non-profit day care centers as well as some money for the initial operating expenses of centers established through this Act.

These illustrative statistics clearly show that States have been developing day care and other child care services for AFDC children other than through WIN programs. National statistics have always indicated that a number of AFDC mothers are employed, either full- or part-time, and agencies have paid for child care as an expense associated with their employment.

Several States have reported new legislation that will enable them to develop and improve their day care programs. The New York law has been mentioned. In Ohio, a new day care licensing bill has been passed, as well as a separate appropriation bill subsidizing the purchase of day care services by county welfare departments. The latter will become effective November, 1969. Wisconsin has secured legislation and developed regulations making possible the purchase of child care for former and potential AFDC recipients. In Illinois, recent legislation assigns State-wide day care planning and coordinating responsibilities to the Department of Child and Family Services (a separate agency from the State Department of Public Aid), authorizes a limited grant-in-aid program to extend day care services, and clarifies the licensing functions of the Department. An appropriation of \$700,000 for the current fiscal year, moreover, was a "first" in State allocations for day care as a specified line item. The Department reports that when fully implemented, the extension and improvement of day care services—in home and out of home—will have a great impact on all children in need of day care, but particularly children of AFDC families.

Significant beginnings are being made in dealing with the day care needs of AFDC and other low income children.

## REQUEST 6 (D)

*An explanation of the reasons why day care resources and services have not expanded more rapidly.*

## RESPONSE 6 (D)

The serious national shortage of day care facilities, and the lack of adequate financing to overcome this shortage, are the major barriers to the expansion of day care.

Funds have not been available for construction, renovation, and equipping of day care centers. In this respect, the recent legislation in New York State referred to in 6(c) above represents a first significant breakthrough.

State and local agencies have experienced difficulty in raising the 25 percent share required to supplement Federal funds.\* This has retarded not only the actual provision of day care for children, but also the needed expansion of staff and of staff training to stimulate development of day care resources, to provide technical assistance to local agencies and facilities, and to help mothers in arranging good child care.

Methods are needed of assuring continuity over a period of years in the financing of day care services. Public agencies are reluctant to begin operating their own day care centers—and this is even more true of non-profit agencies or proprietary facilities—unless future financing is more assured. Recent significant increases in State funds for day care in a number of States, including budgeted line-items for this service, are encouraging in this respect.

When currently available facilities are used at or near capacity, it is no simple matter to find places in a year's time for several thousand additional children in a State or a local community. A period of planning and development is needed. Those States, such as New Jersey, that had day care staff in every district office before the WIN program came along (using Title IV-B funds for this staff), could move forward more quickly than others in finding or developing spaces for children. It has proved to be difficult, especially in the central cities, to find physical facilities suitable for children that could meet licensing requirements. This applies both to day care centers and family day care homes. Local ordinances in many communities tend to be somewhat restrictive, deterring the expansion of facilities. There is a tendency generally to use in-home care that does not have to meet licensing standards. Such care is also easier to arrange, often by the mother herself without agency assistance, and is less expensive than day care.

Payments for day care frequently are at a level that discourages development of needed resources. Some States and local communities set maximum payments at a level below the cost of good care. Others pay very little for in-home care or for after-school care of children.

A number of special factors have tended to limit the development of child care services in the WIN program during its first year or so. The WIN program in general, did not get started as rapidly as had been expected. Moreover, legal barriers in 16 States prevented them from entering the program and considerable time was required to remove these barriers. The order of priority in referrals to WIN (unemployed fathers, out-of-school youth 16 years and over, other essential adults, mothers volunteering for the program—in that order) definitely limited the number of mothers entering the program in the first year. The net result of these factors was a substantially lesser need for child care during WIN's first year than had been anticipated. Reports of the Auerbach Co., which has reviewed the WIN child care situation in a number of urban communities, have questioned whether agencies have taken a sufficiently active role in assisting mothers in making arrangements for child care. Often mothers have not been given enough help. There is need for more staff training in this area, more technical assistance to State and local agencies, and more day care resources. Local agency efforts alone, however, cannot overcome the deeper problems of lack of facilities and of adequate financing and staffing.

This recital of current problems in expanding day care should be balanced by a look at the encouraging developments, such as those presented above under question 6. Progress can also be reported under Title IV-Part B, the child welfare services program. The number of children provided day care on December 31, 1968 under this program was 22,500, as compared with less than 5,000 in 1965.

\*While Federal participation was 85 percent through June 1969, the States apparently took into account the 75 percent rate for subsequent periods.

Day care expenditures from Federal, State and local funds amounted to \$18.5 million in 1968 compared with \$12.3 in 1965. The number of professional and subprofessional staff of public welfare agencies giving full-time to day care has been growing—to 720 in 1968. Licensed day care facilities in the U.S. as of March, 1969 had an aggregate capacity of 641,500 children compared with about half that number in 1965. Much of this increase, however, reflects the strengthening of the licensing programs of public welfare agencies but some of it surely represents an increase in facilities. Licensing programs mainly have been developed under Title IV-Part B.

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COMMITTEE ON WAYS AND MEANS,  
HOUSE OF REPRESENTATIVES,  
*Washington, D.C., October 23, 1969.*

Hon. ROBERT H. FINCH,  
*Secretary of Health, Education, and Welfare,*  
*Washington, D.C.*

MY DEAR MR. SECRETARY: I am enclosing a series of questions relating to the operation of the present social security programs and to the Administration's proposals to amend the Social Security Act. I would appreciate receiving your responses to these questions for insertion in the record of the Committee's current hearings on social security legislation.

Sincerely yours,

*WILBUR D. MILLS, Chairman.*

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THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,  
*Washington, D.C., December 16, 1969.*

Hon. WILBUR D. MILLS,  
*Chairman, Committee on Ways and Means,*  
*U.S. House of Representatives. Washington, D.C.*

DEAR MR. CHAIRMAN: I have had various materials prepared in response to the questions in your letter of October 23, 1969. I am enclosing them with this letter and hope that they will be useful to the Committee and its staff.

If I can be of further assistance, please feel free to call upon me.

Sincerely,

*ROBERT H. FINCH, Secretary.*

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE RESPONSE TO QUESTIONS FOR  
INSERTION IN THE RECORD OF HEARINGS ON SOCIAL SECURITY LEGISLATION

QUESTION 1

*Under your bill, there are various alternatives that are possible for administering the family assistance benefit, the State supplemental payment, and the adult assistance programs. Would you please describe what you expect will be a typical arrangement?*

ANSWER

While the most desirable arrangement in many States would seem to be one under which the Federal Government would administer all, or almost all, operations for both the Federal and State programs, the Administration's proposal accommodates the various situations that might exist among the several States by providing for a great deal of flexibility with respect to how administrative responsibilities might be divided between the States and the Federal Government. The division in any State could be governed, for example, by judgments on what the Federal Government is best suited to do and what the State is best suited to do. In some States, the decision might be that Federal personnel would take the applications, make the basic eligibility determinations, and make the payments, leaving State personnel to conduct investigations that require contacts in the home, such as investigations to verify family composition or to determine proper payees.

QUESTION 2

*At present, a man who is disabled may be getting payments from social security and under a State public assistance program for the disabled; his family may be getting AFDC payments. Three different programs operating because of one individual's disability. How will this be simplified under the Administration's welfare reform proposal?*

## ANSWER

With the Family Assistance Act in place it would continue to be possible for a family to receive public payments from different sources such as social security, Family Assistance, and Aid to the Permanently and Totally Disabled (APTD). Under the bill, however, the administration functions of these different programs can be consolidated or interrelated, since incentives are provided to have the Federal Government handle some or all of the administration of both the Family programs and of APTD. This would mean that a family might have only one agency to contact for initial and continuing eligibility under all these programs, including the social security program. Thus, it would be possible for the administration of these programs to be substantially simplified, as compared with present law.

## QUESTION 3

*As you know, the question of the constitutionality of a state placing a maximum on AFDC payments is now before the Supreme Court. Is it not true that if the court should rule against maximum and percentage reductions, then a state like Missouri, which has a maximum of \$130 for a family of four, will have to supplement the Federal benefit up to its standard of \$325 rather than not have to supplement at all. As a matter of fact, if the Court should outlaw maximums and percentage reductions, wouldn't it be true that every state would have to supplement your Federal assistance benefit and would not other states have to increase the amount of supplementation?*

## ANSWER

The specific case on maximums which the Supreme Court has agreed to hear (*Dandridge v. Williams*, scheduled for argument the week of December 8) deals only with a family maximum, expressed in a flat dollar amount. The opinion of the district court, invalidating the family maximum, was very careful to point out that the State could employ a percentage reduction to limit total expenditures. So far as we are aware, none of the other cases (in the lower courts) which deal with maximums has involved percentage reductions or individual (in contrast to family) maximums. Accordingly, while the answer to the question would be in the affirmative if both family and individual maximums, and percentage reductions, were invalidated, at this time only the validity of the family maximum is before the Supreme Court.

## QUESTION 4

*Mr. Patricelli testified that a family headed by a woman working full time was eligible for AFDC under present law. This is of course true—it is the fact that the family has no father present and that its income is below the state standard which makes it eligible. However, Mr. Patricelli indicated also that this mother had little incentive to work under present law. Is it not true, however, that under present law such a working woman has deducted from her earnings the costs of going to work, including the cost of child care, transportation, extra meals, taxes, union dues and so on? And is it not also true that another \$30, plus one-third of the remainder is deducted before the earnings are offset against her assistance payment? Is this not just as much as or more of an incentive than such a woman would have under your proposal?*

## ANSWER

"It is, of course, true that a mother already on has some financial incentive to work under the present law as a result of the earnings disregard formula of '\$30 plus one-third' which went into effect on July 1 of this year. We feel that the proposed Family Assistance Plan improves upon these incentives in a variety of ways, as set forth in Secretary Shultz's testimony before the Committee on October 16."

However, in the testimony you are apparently referring to, Mr. Patricelli was describing the inequity built into the present law whereby even full-time working women can be less well off than women who are earning less but also receiving welfare. This is the consequence of language in section 402(a)(8) of the Social Security Act which prevents the States from taking into account in determining eligibility, the "30 plus one-third" earned income disregard. Thus, if we consider the case of a state with a need standard of \$2500 for a family of four, a female headed family where the mother is earning less than \$2500 will be eligible for an AFDC payment calculated as to amount by application of the disregard

formula. Her total income—earnings plus welfare—will be well in excess of \$2500. But a mother earning \$2600 per year is simply not eligible under present law, with the result that she is less well off in total income than the first case. It would be to her advantage to quit work, become eligible for AFDC, and then get another job so that her income would be supplemented through application of the earnings incentives feature of AFDC. The Family Assistance proposal removes this inequity by applying the disregard formula to the basic determination of eligibility.

#### QUESTION 5

*Under the welfare bill, the Department will be determining the definition of disability which the states will have to use in the adult assistance title. Testimony from Under Secretary Veneman indicated that your definition might not be as liberal as the most liberal state definition now used. However, under the present law the term "totally and permanently disabled" is used. When you change it to just "disability" the implication seems to be that it will not be as hard a test to meet as that under present law. As you know, the disability estimates under the cash social security program over the years have consistently turned out to be too low because of higher rates of disability than originally estimated. What is there in your proposal which would avoid that kind of experience?*

#### ANSWER

At present, there is no authority to set a national definition of what constitutes a serious disability and, consequently, great variations exist among the States in determining "totally and permanently disabled." Under the proposed law, this inconsistency will be eliminated, and the needy severely disabled will be treated alike regardless of where he lives. For the first time, the Secretary will be authorized to use the Department's experience over the years with Federal disability programs and that of the States, to develop a single national concept of severe disability.

"Severely disabled," as will be prescribed by the Secretary, will not necessarily be a more liberal definition than that used by some of the States today. It would almost certainly, though, be more flexible than the one applied in some States where the definition is so stringent that a person must be bedfast to be considered disabled. It will undoubtedly mean more cases in those States with the most stringent definitions.

#### QUESTION 6

*In one of the charts on the welfare bill it is stated that there is a \$500 "family togetherness incentive" in the case where the father is unemployed and the state pays \$2,500 for a family of four and \$3,000 for a family of five. As I read your example, it is also true that there is such an incentive of \$500 under present law in a state which covers the unemployed father. I see no improvement over the present law. Would you comment on that?*

#### ANSWER

The chart referred to was paired in the presentation with the previous chart which made clear that the example applied to a new "family togetherness incentive" of \$500 in the 29 jurisdictions which do not have an Unemployed Father program. Of course, in the case of an unemployed father in a state which does have a UF program, Family Assistance does not improve on the incentive to keep the family together already in the law. Family Assistance does improve on present law in all States with regard to the family stability incentives in all States where the family is headed by a father working full time. That is shown in the charts.

#### QUESTION 7

*You submitted to the Congress last week some proposals for changes in the Medicare program. One of these changes would have the hospital utilization committee rule on whether payment would be made not only in the case of a long stay as under present law but also in the case where the admission was not necessary in the first place.*

*Under the present procedure the payments are cut off three days after the Committee rules that hospitalization is no longer necessary.*

*How would this work in the case where the Committee ruled that no admission should have been made? What would the Medicare program pay for that hospital stay?*

## ANSWER

Under section 7 of the Health Cost Effectiveness bill, payment of hospital insurance benefits for inpatient hospital services and posthospital extended care services would not be made for cases where there had been a finding by a utilization review committee that either admission to the institution or the furnishing of particular professional services (including drugs and biologicals) by the institution was medically unnecessary. A similar limitation would be placed on payment of supplementary medical insurance benefits with respect to medical and other health services furnished on an inpatient basis by a hospital or an extended care facility.

It is true that the provision, as presently drafted, does introduce the exceedingly difficult problem of retroactive denial of benefits. This problem is not, of course, a new one in the Medicare program; it is, in fact, an inevitable element in any program requiring the adjudication of claims. Nevertheless, the consequences for the Medicare beneficiary can be quite serious, and we have, therefore, developed possible ways to minimize—consistent with the responsible financing of the program—the impact of such determinations on individual beneficiaries. In fact, in developing this provision we had in mind that the utilization review committee should attempt insofar as possible to select its sample from relatively recent admissions. If this provision were acted upon favorably by the Committee we would suggest that a statement expressing this intent be included in the Committee Report. We would also expect to develop regulations to encourage the utilization review committees to do this.

In addition, we believe that there is merit to modifying the proposed provision so as to provide for the same 3-day grace period provided under present law in long-stay cases. (Incidentally, a drafting error in the provision would inadvertently eliminate this 3-day grace period—that is, it would eliminate the guarantee of payment under present law for 3 additional days after notification that a determination has been made by the utilization review committee that further stay in the institution would not be medically necessary. The elimination of this provision was unintended and we would wish for it to be retained.)

If the proposal were modified in this manner—addition of a 3-day grace period similar to that in present law and a clear expression of the intent that only relatively recent admissions would be included in the sample—the problem of retroactive denial of benefits would be eliminated. Although there would of course be some cases in which payment would be made for some of a hospital stay judged unnecessary by the utilization review committee, on balance the adoption of this provision would have the overall effect of discouraging such unnecessary admissions. We believe that the total effect would therefore be a reduction in the number of days paid which were adjudged not medically necessary.

## QUESTION 8

*The Finance Committee investigation of Medicare and Medicaid revealed some very serious deficiencies in these programs. What administrative steps have you taken or do you plan to take to meet these problems?*

## ANSWER

*Medicare*

With respect to the instances of inadequate administrative performance and various types of abuse of the Medicare program by individual suppliers or providers of services cited by the Committee on Finance during hearings on Medicare and Medicaid on July 1, and 2, 1969, our administrative response has been, essentially, to continue to intensify our efforts to improve overall program administration to identify and eliminate program abuse wherever it occurs. Efforts already taken are described below.

We do not wish to minimize the importance of the various instances of program abuse or inadequate performance cited by the Committee on Finance or the value derived by those administering the program from the opportunity of discussing these matters with the Committee. At the same time, we believe it would be unfortunate if instances such as these were viewed as characterizing the operation of the program as a whole. We believe that—given the unprecedented nature of Medicare, the newness of many of its requirements, and the large number of organizations and people involved—it can be fairly said that the great majority of physicians, hospitals, extended care facilities, carriers and inter-

mediaries, State agencies and others involved in the administration of the program have performed at least as well as they have performed for programs in the private sector. We believe, too, that it is significant that most of the specific cases of program abuse or of inadequate administrative performance cited by the Committee on Finance were furnished to the Committee by the administering agency. We know of no health insurance organization that has eliminated all possibility of abuse or has attained perfection in its administration. The test of administrative vigor is not the apparent absence of abuse or administrative problems, but the existence of systems and procedures for uncovering deficiencies and prompt and ongoing corrective action to meet such deficiencies as are uncovered. We believe that the administration of Medicare meets this test. All instances of program abuse or administrative deficiency that have been uncovered—including, but not limited to, those noted by the Senate Finance Committee—are either under active investigation or are being corrected by appropriate administrative action.

A summary of the administrative actions the Social Security Administration has taken since the early days of the program, to develop systems for deterring program abuse and for identifying and eliminating it where it occurs, is attached. (Attachment A.) In addition, the following specific actions have been taken or are in progress:

1. Staff responsible for program integrity activities have been increased at all levels of administration (including carrier and intermediary levels) and a special staff dealing solely with such activities has been established at the central office level.

2. The Department's regulations relating to the confidentiality of claims information have been revised to permit issues of questionable activities to be referred to medical societies.

3. The Department's regulations with respect to reimbursement of providers of services are now being revised to prevent the possibility of excessive reimbursement to providers through use of accelerated methods of computing depreciation, and to prevent the use of inflated valuations of provider assets in computing allowable costs under the program.

4. The Department's regulations have been revised to prohibit physician-owners of an institution from participating in the utilization review activities of that institution.

5. Policy and procedures with respect to reimbursement of providers of services are being revised in order to reduce the possibility that the program will incur losses in cases where the provider of services ceases to participate in the Medicare program.

6. The Department's policy and procedures with respect to reimbursement of supervisory physicians in a teaching setting have been carefully reviewed to assure that payment is made only for services meeting attending physician criteria as defined in regulations.

7. Efforts are under way to coordinate activities by the Internal Revenue Service and the Social Security Administration in the routine identification and reporting of payments made to Medicare providers.

A summary of the major ongoing procedures for improving carrier and intermediary performance is also attached. (Attachment B.)

In addition to taking these administrative steps, we have submitted to the Committee on Ways and Means seven legislative proposals which seek not only to improve utilization of existing health service capability and encourage better planning, but also to achieve more effective cost control and to avoid abuse of the program. For example, the proposals would allow us to bar from participation in the program physicians and providers who have been found guilty of abusing the program and to withhold payment for cases in which a utilization review committee finds that an admission to a hospital or extended care facility is not warranted. Other provisions focus on improvements in reimbursement procedures by providing expanded authority for experiments with reimbursement approaches that offer promise of improved efficiency and economy and by providing for payment of charges if they are less than costs and for estimating certain overpayment amounts to be recouped. The proposals for tying depreciation payments to State health facility planning and for requiring corporate planning as a condition of participation in the Medicare program will hopefully contribute to the more rational distribution of facilities and services and to the management efficiency of individual facilities.

**ACTIONS TAKEN BY THE SOCIAL SECURITY ADMINISTRATION TO DETER, IDENTIFY, AND ELIMINATE PROGRAM ABUSE AND TO CONTROL PROGRAM UTILIZATION AND COSTS**

The overall administrative design of the Medicare program was established during the 11-month period between the enactment of the Social Security Amendments of 1965 and the start of Medicare operations on July 1, 1966. During that time, measures were taken to provide the systems that would be essential for the identification of areas where excesses of utilization of covered services or cost issues might be present.

*Actions taken at onset of program*

1. *Statistical system.*—A major step in achieving the capacity to detect instances of program abuse was the development of a nationwide system for obtaining uniform and reliable program information from organizations and individuals—providers, physicians, suppliers, intermediaries, and carriers.

(a) The statistical system was designed to collect data on payments to physicians so that information concerning individual physicians, including their specialty, place where services were provided, type of services performed, and the amount of total Medicare payments could be tabulated. It was intended that the tabulations would serve, among other purposes, to identify cases where possible abuse of the program occurred so that such cases could be investigated. It was this system which made it possible to provide the Senate Finance Committee with the list of physicians who received a specified amount of reimbursement from the program.

(b) The statistical system also provided for the collection of similar data with respect to providers of services so that information on the type of services rendered and lengths of stay could be tabulated and institutions with unusual patterns of utilization identified and investigated.

2. *Reporting of cases of possible fraud.*—All instances of possible fraud were required to be reported to the Social Security Administration and fraud investigations were controlled centrally.

3. *Notification to beneficiary of claims paid in his behalf.*—A system was developed so that beneficiaries would be informed of claims paid in their behalf, no matter who received the payment. One of the results expected from this process was that beneficiaries would inform the program where they thought an improper payment had been made, thus providing a source of evidence of possible fraud and also consequently a deterrent to claims for services not rendered or for higher charges than were actually made.

4. *Cost determination process.*—The law requires that institutional providers of services be paid on a cost basis, and an administrative process was developed in which the cost system was defined and arrangements were made for audit of the cost reports submitted. These audits have the direct effect of reducing payments and the indirect effect of reducing the tendency to claim for payment costs which would be rejected by audit. Audited reports were required to be submitted to the central office for analysis to permit both quality checks on the audit process as well as the development of improvements in cost review matters.

5. *Centralized policy and procedure development.*—While it was not possible to develop before the program became operational all the details of policy and procedure that would ultimately be desirable, the policy decision was made that central policy control was to be included in the method of operation and policy was made available in manual and letter form from the program's outset. These statements have been made more detailed and been improved as time has passed.

6. *System of surveillance and improvement of carriers and intermediaries.*—To help achieve the national goals of uniform application of policy and quality of performance, a system was established that would permit surveillance of fiscal agent activities based on statistical reporting by the agents and a program of visits by social security central office and regional office personnel, as well as personnel of the DHEW Audit Agency. The visits were intended to provide the site aid in performance improvement.

7. *Establishment of framework of utilization review and surveillance of review process.*—Each hospital and extended care facility was required initially to have a utilization review plan, and subsequently the performance of the plan was checked through on-site inspections as well as by examining the results of claims review and analyzing the data to be tabulated on allowed claims.

8. *Physician certification of medical necessity.*—As one of the safeguards against excessive use, physicians were periodically required to certify to the necessity of services provided.

9. *Claims review process.*—A systematic review of claims was required to be carried out by each intermediary and carrier, and claims were required to be submitted to central office. The central office claims data were to become a source of identification of various patterns of care which might require special attention by the agents if they had not done so already because of their own assessment of utilization patterns.

#### RECENT ACTIONS

##### *Reimbursement and health costs*

1. Policy review, with the aid of expert consultants, of reasonable charge determination methodology.

2. New standards of performance on reasonable charges communicated to carriers by letter dated December 17, 1969. These instructions informed carriers that:

(a) The prevailing charge is to be set at mean plus one standard deviation or the equivalent, which may be the 83rd percentile, (the 90th percentile previously used by some is not acceptable).

(b) The prevailing charge may not be changed earlier than one year after a prior change.

(c) The customary charge may be the mean, median, or modal charge; but, if a percentile or mode, it may not be higher than the 50th percentile.

(d) Changes in customary charges should be made only on the basis of adequate evidence, and not ordinarily on the date of the first indication of an intent to change. Time should be allowed for implementing the change in the carrier's claims operations.

(e) The reasonable charge for services obtained from laboratories but billed by a physician are to be based on the laboratory charge.

Restriction on increases in allowed charges for the period January 1, 1969–June 30, 1970, was transmitted to the carrier by letter dated February 25, 1969, and informed them that:

(a) The customary charge is to be increased only in individually identified, highly unusual situations where equity clearly requires such an adjustment.

(b) The prevailing charge is to be increased only on the approval of the Social Security Administration.

Data for the 3-month period ending September 30, 1969, show that carriers are reducing charges on about 25.6 percent of the Part B claims processed, and the difference between allowed charges and total charges is about 5 percent.

3. The provision on cost reimbursement for payment of a 2 percent allowance above audited costs was deleted as of July 1, 1969, and published in the *Federal Register* on June 27, 1969.

4. Ceiling on interim reimbursement rate for cost reimbursement set not to exceed charges, transmitted to intermediaries by letter of May 1969.

5. Establishment of refined rules limiting costs accepted for compensation of owners, transmitted to intermediaries by letter of August 1968.

6. Study of alternate reimbursement methods and development of experiments with alternatives.

7. Nine regional conferences on health care costs to develop the cooperation of persons outside the Government in seeking ways to keep down costs. The last conference was held in January 1969.

##### *Coverage and utilization controls*

1. Refinements in policy and processing of extended care facility claims to secure improvement in the rate of denial where continuous skilled services are unneeded, transmitted by letters of June 1968 and April 1969. (Data for July and August 1969 indicate that 6.5 percent of extended care benefit claims processed were denied.)

2. Study of utilization review in hospitals and preparation of improved technique for surveying utilization review plans incorporated in utilization review plan checklist, form SSA-1530.

3. Study of guidelines used by carriers in claims review, followed by a letter of April 1968 requesting information on these procedures.

4. Policy and procedures tightened for payment of supervising physicians in a teaching setting, transmitted by letter of April 1969. The instructions informed carriers that:

(a) His performance must be documented by notes in patient records.

(b) The amount paid must be related to the specific services rendered.

5. Tabulation and distribution to carriers of data on physicians with highest amounts of reimbursement and analysis of results (1968 and 1969).

6. Development of a system for identifying hospitals whose lengths of stay are unusually long.

7. Experiment with medical foundations' review of Medicare claims.

8. More strict instructions on when physical therapy services may be paid for under the program, transmitted by letter of April 1969.

9. Reduction in time for certification of need for hospital care.

#### ACTIONS TAKEN BY THE SOCIAL SECURITY ADMINISTRATION TO SUPERVISE CARRIERS AND INTERMEDIARIES AND TO IMPROVE PERFORMANCE

The key to the relationship between the Social Security Administration and the carriers and intermediaries is that the contractors cannot establish local rules for the administration of Medicare. Instead, they are required to follow national policies set forth by the Social Security Administration and to meet certain uniform standards of performance. This necessitates a system of central direction and review of contractor performance. Longstanding elements of this system have been:

1. Periodic onsite reviews of the performance of each contractor, conducted by Social Security Administration central office personnel.

2. Regular, frequent visits by Social Security Administration regional office personnel.

3. Annual Department of Health, Education, and Welfare audits of each contractor. The audits involve both fiscal and administrative procedures.

4. Regular statistical reporting by each contractor on such matters as workload, processing time, overtime usage, administrative costs, etc.

5. Social Security Administration central office analysis of provider cost reports yields, as a by-product, information on intermediary performance.

6. Central maintenance of the beneficiary eligibility record involves transmission to central office of each payment action. This, too, permits, as a by-product, a number of checks on contractor performance.

7. Development of manuals on policy and procedural issues which all carriers and intermediaries are required to follow.

8. Constant feedback from Social Security Administration local district offices of beneficiary complaints, protests, etc.

#### RECENT ACTIONS INCLUDE

1. Special visits to carriers and intermediaries to emphasize important areas of operations, e.g., reasonable charges, supervisory physicians, hospital-based physicians, extended care facility levels of care, claims review techniques.

2. Visits to extended care facilities and hospitals to check problems from the point of origin, to evaluate the way in which the solutions are being resolved, and to introduce needed improvements in carrier and intermediary operations.

3. Special carrier and intermediary reporting on matters of emerging emphasis—denial rate on extended care facility claims, progress in the completion of provider audits, intermediary handling of providers leaving the program, cutbacks in the “reasonable charge” on part B claims, etc.

4. Introduction into each carrier's system of test claims for hypothetical beneficiaries to check the accuracy and quality of the carrier's claims process.

5. Development of a model claims processing system which is available in whole or in part to all carriers.

6. Location of a full-time on-site staff member at each of the largest carriers to provide continuous monitoring and assistance.

In May 1969, Secretary Finch selected a special Committee chaired by Dr. James G. Houghton, First Deputy Commissioner, New York City Health Services Administration to formulate policy on payments to individual practitioners under title XIX. The members of the group were charged with the exploration of alternatives which would have the effect of (a) rolling back the cost of Medicaid payments to individual practitioners and (b) developing mechanisms to control future escalation of these payments. As a result of the group's deliberations the

attached policy statement reflecting these goals was issued by the Department.

The regulation requires States which have been administering a title XIX Medicaid program to establish ceilings for payments to individual practitioners which will not exceed the payment structures in effect under the State title XIX plan on January 1, 1969, or the reasonable charges determined under title XVIII-B (Medicare), whichever is less. Increases in the ceiling payment structure may not occur until after July 1, 1970 and must be approved by the Secretary of DHEW. The rate of such increases are limited to composite average increases which do not exceed the percentage increase in the all-services component of the Consumer Price Index (adjusted to exclude the medical component) or an alternate index designated by the Secretary. In addition, there must be satisfactory evidence that the State and the profession concerned have collaborated in the establishment of an effective utilization and quality control system.

To investigate rising costs, fraud, poor management and other problems in Medicaid and related programs, the Secretary in July 1969 appointed Mr. Walter J. McNerney, President of Blue Cross, to be Chairman of a Task Force to review these problems. In addition to Mr. McNerney, membership on this Task Force included State agency representatives, provider and consumer organization representatives, and other outstanding leaders in the medical care field.

A draft policy concerning information reporting requirements (copy enclosed) has been developed. The draft, in final clearance, requires the single State agency to file with Internal Revenue Service, a report of aggregate payments made to providers of service identified by name, address, and social security number or employer identification number (when billing is by a partnership or corporation).

The policy will also require that States establish a basis for verifying with recipients whether services billed by providers were actually received.

Attached is a copy of the policy on fraud which was developed by the Medical Services Administration. The policy is in final clearance process.

The request for the issuance was first made by the Department of Justice and then by the Senate Finance Committee. The policy includes a requirement that all provider claims forms used in the program include language indicating that State and Federal funds are involved and that false claims or statements could be prosecuted under State and Federal law. In addition, there is a requirement for a State agency administering the title XIX agency to report to the Social and Rehabilitation Service each case of suspected fraud by a provider which has been referred to law enforcement officials for appropriate action and the ultimate disposition by law enforcement officials.

#### DRAFT POLICY

§ 250.31 Reasonable charges for individual practitioner services. State plan requirements. A State plan for medical assistance under title XIX of the Social Security Act must:

(a) Provide that payments for services of physicians, dentists, osteopaths, chiropractors, and podiatrists will not exceed the amount provided for on January 1, 1969, under the payment structures in effect under the State plan on that date (or, if later, the date the State began operation of its title XIX program), or the reasonable charges determined under title XVIII-B of the Act as of such date, whichever is less, except as provided in payment structures approved pursuant to paragraph (c) of this section or § 250.32 or § 250.33. The limitations in this paragraph do not apply to payments made under the State plan for deductibles or coinsurance imposed under title XVIII-B of the Act where such payments are based on reasonable charge determinations made under title XVIII.

(b) Specify each type of payment structure which is applicable in the care of services of the classes of practitioners referred to in paragraph (a) of this section.

(1) Payment structures based on usual, customary, reasonable or prevailing charges shall include (i) definitions of those terms, (ii) assurances that the State has access to data identifying the maximum charge allowed for the procedures most frequently performed, and that such data will be made available to the Secretary or his designate upon request, and (iii) the method by which and the sources from which information on charges is obtained.

(2) Where payment structures consist of fixed fee schedules or schedules of maximum allowances or capitation, or are based on Relative Value

Studies, they shall be made available to the Secretary or his designate upon request.

(c) Provide that any significant increase, decrease, or modification in a payment structure that has been specified as applicable for individual practitioner services referred to in paragraph (a) of this section will not become operative until such change has been submitted to and approved by the Secretary. A proposed revised payment structure that would be applicable for a period within the fiscal year beginning July 1, 1969, may be approved if it equates to no more than the 75th percentile of the ranges of customary charges existing in the State on January 1, 1969.

(d) Provide that the following information will be submitted with a proposed change of a type referred to in paragraph (c) of this section:

(1) An estimate of the percentile of the range of customary charges to which the proposed revised payment structure will equate and a description of the method used in arriving at the estimate.

(2) An estimate of the composite average percentage increase of the proposed revised fee structure over its predecessor.

#### § 250.32 Payment structures taking effect on or after July 1, 1970.

(a) A proposed significant increase, decrease or modification in a payment structure that would be applicable for a period beginning on or after July 1, 1970, may be approved if (1) it equates to no more than the 75th percentile of the ranges of customary charges existing in the State on January 1, 1969, plus a composite average percentage increase which does not exceed the percentage increase in (i) the all-services component of the Consumer Price Index (adjusted to exclude the medical component) or (ii) an alternate index designated by the Secretary; (2) there is satisfactory evidence that the State has made substantial effort to collaborate with the professional association concerned and with representatives of major consumer groups with regard to reimbursement formulas and the establishment of an effective utilization peer review and quality control system, including provision for the disqualification of practitioners who are found to have defrauded, or to have practiced persistent over-utilization in, or otherwise abused the program; (3) provision is made for prior authorization of selected high cost elective services; (4) differentials have been established based on variations due to geographic areas, health specialities, and situations not falling within the usual allowances such as payments (if any) to institution-based practitioners and payments for nursing home visits; and (5) the State describes the methods which will assure that payment will not exceed the customary charge of the individual practitioner.

(b) In no event will approval be granted for any proposed revised payment structure which will result in payments exceeding the reasonable charges determined under title XVIII-B of the Social Security Act.

§ 250.33 States beginning operation of title XIX program after July 1, 1969. Payment structures for States which begin operation of a title XIX program after July 1, 1969, must comply with all the provisions of § 250.31, except that (a) where operation begins prior to July 1, 1970, the initial payment structures may be approved if they do not exceed the 75th percentile of the ranges of customary charges existing in the State on January 1, 1969, and (b) where operation begins after June 30, 1970, the initial payment structures may be approved if they do not exceed the levels specified in § 250.32 and the conditions specified therein are satisfied.

§ 250.34 Federal financial participation. Federal financial participation is available for payments for physician, dentist, and other individual practitioner services within the limits described in §§ 250.31-250.33, in accordance with the provisions of the State plan.

*Effective date.*—The regulations set forth above are effective on the date of their publication in the Federal Register.

Dated: \_\_\_\_\_

Administrator, SRS

Approved: \_\_\_\_\_

Secretary

§ 250.71 Information Reporting Requirements, Internal Revenue Code. State plan requirements. A State plan for medical assistance under title XIX of the Social Security Act must provide for:

(a) Identification of providers of service by social security number or by employer identification number. When the provider is in solo practice, identification shall be by social security number. When the provider is in other than solo practice, identification shall depend upon the group's billing practices; where billing is by the individual, then identification shall be by social security number; where billing is by a partnership or a corporation, then identification shall be by employer identification number.

(b) Compliance with the information reporting requirements of the Internal Revenue Code (title 26 U.S.C. 6041). With respect to payments for services under the plan, the Internal Revenue Code requires that annual information returns, Forms 1096 and 1099, be filed showing aggregate amounts paid to providers of service identified by name, address, and social security number or employer identification number.

(c) Establishing a basis for verifying with recipients whether services billed by providers were actually received. Such basis may be by random sample of patients for each provider who is paid significant amounts under the program and for groups of providers, none of whom receive a significant amount.

Section 250.80. Fraud in the medical assistance program.

(a) *State plan requirements.* A State plan for medical assistance under title XIX of the Social Security Act must:

(1) Provide that the State agency will establish and maintain (i) methods and criteria for identifying situations in which a question of fraud in the program may exist, and (ii) procedures developed in cooperation with State legal authorities for referring to law enforcement officials situations in which there is valid reason to suspect that fraud has been practiced. The definition of fraud for purposes of this section will be determined in accordance with State law.

(2) Provide for methods of investigation of situations in which there is a question of fraud that do not infringe on the legal rights of persons involved and are consistent with principles recognized as affording due process of law.

(3) Provide that the State agency will designate positions that are responsible for referring situations involving suspected fraud to the proper authorities.

(4) Effective January 1, 1970, provide that the State agency will establish and maintain procedures for reporting promptly to the Social and Rehabilitation Service (i) each case of suspected fraud by a provider which has been referred by the State or local agency to law enforcement officials for appropriate action and subsequently (ii) the disposition thereof by such law enforcement officials.

(5) Effective April 1, 1970, provide for the following statements (or alternate wording approved by the Social and Rehabilitation Service Regional Commissioner) to be imprinted in bold face type on all provider claim forms above the claimant's signature:

- (i) "This is to certify that the foregoing information is true, accurate, and complete."
- (ii) "I understand that payment and satisfaction of this claim will be from Federal and State funds, and that any false claims, statements, or documents, or concealment of a material fact, may be prosecuted under applicable Federal or State laws."

#### QUESTION 9

*What were the specific assumptions and methodology used in the preparation of the estimates of the cost of the proposed FAB program?*

#### ANSWER

Attached is the description of methodology and cost estimates for the Family Assistance Plan as requested by Chairman Wilbur Mills.

It represents a joint effort involving staff from HEW, the Urban Institute and BOB.

#### THE FAMILY ASSISTANCE ACT, 1968 COST ESTIMATE SUMMARY

The estimated costs for the welfare proposals included in the Family Assistance Act total \$4.4 billion. This estimate is based on data for calendar year 1968 and assumes 100% program participation by eligibles. The following table shows the cost estimate for each of the Act's major provisions:

<i>Provision</i>	<i>Added Federal cost (billions)</i>
Family assistance payments-----	\$3.0
Adult public assistance changes-----	.4
Federal payment to States (pt. E)-----	.1
Training and day care-----	.6
Administration and other-----	.3
<b>Total -----</b>	<b>4.4</b>

The following sections discuss the methodology used in making these estimates.

#### INTRODUCTION

When proposals are made to alter or extend existing programs, estimates of the cost can be based on existing knowledge and data on past program performance.

However, when an entirely new approach to a major social problem is proposed, these techniques become less useful. The important fact to bear in mind about assessments of the cost impact of new programs is that they must, of necessity, be based on judgments as to how people will react to a recommended new type of Government action and as to conditions that exist in the economy in areas that relate to the new program proposal.

In light of this fact and because of the many new features of the President's proposed Family Assistance Program, a concerted effort has been made to develop a systematic approach to the cost estimates for FAP, using people in several different departments and agencies, as well as relying on the advice of consultants and staff from the President's Commission on Income Maintenance.

The Family Assistance Act has several important features which distinguish it in significant ways from the present, and all are agreed, inadequate, welfare system. Each requires a different type of cost estimating. The most far-reaching new feature is that under this Act the Federal Government will make direct money payments to all families with children, with the amount depending on family size and the amount and types of family income.

#### 1968 Data Base

The development of the cost estimating procedures began when the Administration first considered welfare reform. It continued throughout the several months of discussion of this subject, and is continuing now. Initially, the decision was made to base the estimates on calendar year 1968 data. This decision was made because 1968 is the latest year for which actual data are available. Costing for later time periods necessitates estimating a number of critical variables, including: the income of eligible beneficiaries, change in rates of employment, significant increases in complementary programs (such as Social Security and veterans benefits), and changes in State Public Assistance payments.

Steps are, however, being taken to project the 1968 estimates forward for future time periods. The initial results of this effort should be available within two weeks and will be forwarded to the Committee.

#### Other Uses of the Cost Estimating Technique

Another facet of the cost estimating process is that it serves, not just as a cost estimating technique, but can be useful in the decision process. In the discussions within the Administration about various alternative approaches to basic welfare reform, it was possible at key points to use the cost estimating system to help design the new program. For example, the basic payment level can be increased or decreased while other factors are held constant to determine the change that would occur in total costs. This characteristic is especially important in a program such as the Family Assistance Plan because of the interaction between policy variables.

This costing method also provides information that shows how the plan or variations in the plan would affect families. Data can be produced to show the numbers of families eligible for benefits, family income, and the number of individuals when changes are made in payment levels, income disregards, and other important policy variables.

The sections which follow discuss the input data, procedures, techniques, major assumptions, and costs of the principal features of the Family Assistance Act.

*Survey of Economic Opportunity*

The basic data source used is the special Survey of Economic Opportunity (SEO). The Survey comprises detailed information on 30,000 families. This source was selected because it is the best detailed, statistically accurate, information base. While other data sources provide information on some variables, no other data source provides information for the *same* families for all of the important variables that affect the cost of the Family Assistance Program.

The 1966 and 1967 Surveys of Economic Opportunity were conducted for the Office of Economic Opportunity in the spring of 1966 and 1967. The field work for both surveys was performed for OEO by the Bureau of the Census. Creation of the SEO files was the joint product of OEO, the ASSIST Corporation, and members of the Brookings Economic Studies and Computer Center staffs.

The Surveys of Economic Opportunity include much of the information routinely collected in the annual February-March Current Population Survey (CPS). They contain supplemental financial and demographic information not usually obtained between decennial Census years. CPS items contained in the SEO files include personal characteristics, such as age, race, sex, education, family relationships and marital status, and work-experience and income for the previous year. In addition, in both years, information was obtained regarding family assets and liabilities, housing, and migration patterns.

Information was collected regarding job training in 1966. In 1967, data were collected on personal health, marriage, and childbearing. The majority of additional questions were asked in both years, with some questions substantially revised in 1967.

The SEO sample of 30,000 households, or addresses, consists of two parts. The first part is a national sample of approximately 18,000 households, drawn in the same way as the Current Population Survey sample. In order to obtain better information concerning the poor—particularly the nonwhite poor—12,000 additional households were also included in the survey by drawing a sample from areas with large nonwhite populations. Essentially, the same set of addresses was revisited in 1967, and more than 75% of the households interviewed in 1966 were reinterviewed in 1967.

Each family in the sample, and the characteristics of the family, bear a distinct and definable relationship to the general population. Therefore, by knowing what effect the Family Assistance Plan would have on the sample families, it is possible to determine the impact of the Plan on the total population.

*Costing Methodology—Families With Children*

In the computation of the cost to the Federal Government and the benefit to recipients of Family Assistance Payments, each household is first identified as a family containing at least one child. Financial records for families with children are then taken up one by one, and all computations on each family completed prior to moving to the next family. Results of each computation are recorded and the entries for one family added to those obtained from computations on the records of prior families. At the end of the process, the totals reflect the results of computations for all families.

The procedure for each unit is to: (1) determine whether the interview or family unit contains a child under 18 and is categorically eligible for a benefit payment; (2) determine the size of the unit so that the benefit payment to the family if it had no income can be computed; (3) count the family income that, under the proposed legislation, would reduce the basic benefit on a dollar for dollar basis; and (4) finally, deduct the countable income from the basic benefit to determine the actual benefit payment. Where countable income exceeds the basic benefit, the benefit is determined to be zero. *The actual benefit paid is the difference between the "basic" benefit (FAP payment to a family with no other income) and a family's "countable income."*

Countable income is the sum of: (1)  $\frac{1}{2}$  of earned income exceeding \$720; (2)  $\frac{1}{2}$  of unearned income; and (3) all of Veteran's Pensions and Farm Subsidies. (The SEO survey does not identify farm subsidy income so that only Veteran's Pensions are accountable in the above procedure.) Welfare income is not counted at all since it is the purpose of the Family Assistance Act to replace, insofar as possible, other welfare programs.

The total benefits computed in this way constitute the total, direct transfer costs of the Family Assistance Act as it pertains to families with children.

Since the Federal Government would no longer participate financially in the Aid to Families with Dependent Children (AFDC) program, the net costs of

the Family Assistance Plan are the costs as computed above, minus the Federal share of AFDC in calendar 1968.

Since each unit in the SEO file contains information on income by source, it is possible to indicate the impact on each unit's total family income.<sup>1</sup> For example, AFDC payments (or what could be supplementary payments under Part E of the Family Assistance Plan) would be reduced on a dollar for dollar basis if the unit received Family Assistance Plan benefits. That family's income would increase, therefore, only if its welfare income were less than their entitlement to Family Assistance benefits. Thus, the net effect of instituting the Family Assistance Plan on family income, as well as the impact on overall welfare programs, can be estimated. Similarly, the possible reductions in the Family Assistance Plan if other program benefits, such as Social Security, were increased can be estimated.

In summary, the procedure permits estimating: (1) the costs of FAP if nothing else were changed, (2) the probable savings in other programs due to the implementation of FAP, and (3) the probable savings in FAP if other programs were changed.

An independent cost estimate for the Family Assistance Plan was developed by the Chief Actuary of the Social Security Administration. The results of this evaluation, for calendar year 1971, are not significantly different from the data presented here.

#### *Costing Methodology—Adult Categories*

The change in the financing formula for the three adult public assistance categories (Aid to the Blind, Aid to the Permanently and Totally Disabled, and Old Age Assistance), shifts a portion of current State costs to the Federal Government. The estimate for this feature was made by calculating the Federal and State shares of total annual payments for each adult category in each State according to both the present and the proposed reimbursement formulas.

The procedure for estimating the impact of the \$90 payment standard involved the following steps:

1. determining which State programs would be compelled to increase payments;
2. assessing the magnitudes of the increase and the number of people benefited (this step required data and assumptions about each program's payment schedule and distribution of recipients by payment levels);
3. calculating the total increases in payments for each affected State program; and
4. allocating these additional costs to the Federal and State governments, according to each State's positions with respect to the new matching formula.

#### *State Supplementation*

Title I, Part E of the Family Assistance Act requires that States must supplement family assistance benefits so that families headed by females or unemployed fathers will be no worse off than they would have been under the State's plan for AFDC.

However, the payment levels to which the States must supplement are somewhat higher than at present, and the caseloads that will be eligible for such supplementation are larger than existing caseloads. The former is true because Part E mandates an improved income disregard. The latter can be expected for two reasons:

1. All States must pay UF families at AFDC payment levels;
2. Income must be disregarded for the purpose of eligibility, as well as benefit, determination.

The estimate provided for this feature is based on:

1. The known relationship of the State supplemental payment to the Family Assistance payments;
2. Data on existing caseloads, payments, and, where available, distributions of cases by payment levels;
3. Fragmentary data on income of AFDC recipients by source;
4. Assumptions about the distribution of female-headed families in the income brackets just above each State's need standard.

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<sup>1</sup> The survey identifies public assistance income under the broad category of welfare income. By examining the characteristics of the interviewed household, it is possible to estimate the probable program from which the welfare income was derived. A procedure to do this was developed and applied. The SEO does not contain data for Puerto Rico or the other relevant territories. Costs for these must be computed separately and added to the results obtained above.

Part E also provides that every State must maintain 50% of its existing welfare effort, but no State must maintain more than 90% of such effort. The resulting Federal payment to the States as its net share of State supplementation is estimated to total \$0.1 billion.

#### *Other Cost Factors*

Other cost factors, less amenable to control, will also affect the costs of the Family Assistance Plan. These factors are of two sorts: (1) those that derive from outside the system but affect its costs, and (2) changes induced by the introduction of the system itself. If the changes in these factors can be estimated, the procedure described above can be used to measure the cost impacts.

Changes from outside the system are related to such things as the unemployment rate, and productivity. Analysis is now underway which will indicate the sensitivity (for example, the increase in FAP costs associated with a given percentage increase in unemployment) of FAP costs to changes in these factors. The intent is to measure the FAP costs of such possible changes.

Changes in behavior brought about by the Family Assistance Plan itself are more difficult to estimate (though again, where the changes can be estimated, their cost effects can also be estimated). The two most likely changes are in work behavior and family formation patterns although the FAP is carefully designed to minimize the incentives for undesirable responses in these two areas.

#### COSTS OF THE FAMILY ASSISTANCE ACT

##### *Title I—Part D*

Sections 442 and 443 establish the schedule of benefits paid to families with children according to their size and amount of income. They also establish certain rules for limiting the amount of assets FAP beneficiaries may hold and for the treatment of farm and self-employed income.

The way in which various types of income are counted or disregarded determines the total amount of maintenance payments.

	Amount (billions)	(Millions)	
		Families	Individuals
1. Payments to families if the first \$720 and $\frac{1}{2}$ of the balance of earned income are disregarded and all other income (except public assistance) is counted.....	\$2.5	(1)	(1)
2. Additional payments if $\frac{1}{2}$ of other income is disregarded.....	.4	(1)	(1)

<sup>1</sup> Not available.

The rules governing the way earned and unearned income are counted in determining benefit payments have an almost controlling impact on overall cost. Seemingly small changes, such as changing the \$720 disregard, or counting only 40% rather than 50% of earned income beyond the disregard, can cause extensive changes in costs. Beyond these basic rules, there are also rules setting forth special exceptions and limitations. These rules are less important in terms of cost, but are equally important from a policy or administrative viewpoint.

Perhaps the most important of the special rules is the feature permitting part or all of child care expenses to be disregarded.

Another important feature permits the income of students to be exempt from family income. Similarly, tuition and fees received in scholarships are also exempt. Although a small reduction in costs could be achieved if these features were deleted, there would be less incentive for young people to stay in school, thus increasing the probability of their requiring income assistance in the future.

The definition of a family and the exceptions to it also reflect important policy considerations. In simple terms, a family consists of all related individuals living in the same household. Exceptions are required in the case of adults who are not part of the immediate family (i.e., not a parent, spouse, or child) when the income of that adult is not available to the rest of the family. Also, individuals receiving assistance from one of the adult category programs are excluded. Finally, members of the Armed Forces, their wives, and children are excluded from the definition of a family.

The remaining special features are those included in the legislation to permit administrative simplicity. These allow irregular or inconsequential income to be ignored since attempts to identify and verify income of this type would cost more in administrative expenses than the possible savings. For similar reasons, home grown produce is not considered income because of the difficulty in assessing its value.

*Title II—Aid to the Aged, Blind, and Disabled*

Section 1604 establishes a new Federal matching formula for Federal participation in the average maintenance payments in OAA, APTD, and AB programs. The new formula is 100% of the first \$50; 50% of the next \$15; and 25% of the excess over \$65.

Section 1603 requires the State to make payments to eligible individuals in such amounts that will assure such individuals a minimum income of \$90 a month. Thirty-seven States have plans more liberal than that feature, and will not be affected.

## 1. Increased Federal costs of revised matching formula :

(In millions)

a. OAA	-----	\$269
b. AB	-----	9
c. APTD	-----	82
Total	-----	361

## 2. Additional Federal costs of \$90 minimum income standard :

(In millions)

a. OAA	-----	\$26
b. AB	-----	1
c. APTD	-----	7
Total	-----	34

## 3. Total costs of changes in Title XVI, \$395 million.

*Other Cost Changes in Title XVI*

Proposed legislation lowers the age requirement in APTD to 18 from 21, and no longer requires the disability to be total and permanent. The Secretary of HEW is empowered to issue regulations for determining "severe disability."

*Title I—Part E*

Section 452 establishes the procedures under which States are required to determine eligibility for and amount of supplementary payments to FAP recipients. Section 453 provides that the Federal Government will reimburse to the States that amount of their payments under section 452, plus the State share of payments under Title XVI which exceeds 90% of what these costs would have been if the Family Assistance Act were not enacted. Thus, the States are assured that their maintenance payments will be no greater than 90% of what they otherwise would have been.

Section 452 also requires States whose new maintenance payment costs are less than 50% of what they would otherwise have been to reimburse the difference between actual payments and the 50% to the Federal Government.

The cost implications of section 452 are as follows:

(In millions)

1. Federal payments to States under the "90-percent rule"	-----	\$130
2. Less State payments to the Federal Government under the "50-percent rule"	-----	-44
Total cost	-----	86

*Title I—Part F*

Section 464 establishes the rules that govern the treatment of Puerto Rico, Guam, and the Virgin Islands under the Family Assistance Act. These rules are a substantial departure from provisions in existing legislation. They provide that an adjustment ratio, equal to the ratio of per capita income in the particular territory to the per capita income of the lowest per capita income State, be applied to the various issues used elsewhere in the bill. This ratio cannot exceed 1.0 and cannot decline over time.

The costs of including Puerto Rico, the Virgin Islands, and Guam in the Family Assistance Act are estimated at about \$100 million.

## QUESTION 10

*In the 1967 social security amendments the Congress established a National Advisory Council on Nursing Home Administration for the purpose of advising the Secretary and the States in carrying out the requirement that the States have laws licensing nursing home administrators. This body was to study and make recommendations on several points concerning this requirement and sub-*

mit a report to the Secretary of Health, Education, and Welfare by July 1, 1969. Was this report prepared? If it was, please furnish the Committee a copy of this report. This Council was to be advisory only. The Council is reported to be setting policy which presumably the States will have to follow rather than making recommendations which the States can take into account when establishing their licensing programs. To what extent has it so acted? If the report is already completed, why is the Council still operating?

#### ANSWER

The report to the HEW Secretary and the States, prepared by the National Advisory Council on Nursing Home Administration, was submitted to the Secretary as required. It is presently being reproduced for distribution to the States. Attached is a copy.

The report that "the Council is setting policy" is not correct. All of the Council documents submitted to the Secretary of HEW for distribution to the States have been clearly advisory, and in each case the accompanying State Letter of transmittal from the Commissioner of Medical Services Administration, SRS, so indicates. Copies of these documents are attached.

HEW regulations regarding "State Nursing Home Administrator Licensure Programs" and "Waivered Nursing Home Administrator Training Programs" have been prepared by the Medical Services Administration, SRS, for publication in the *Federal Register* and are in final clearance process within the Department.

An ad hoc committee consisting of representatives from State Health and Welfare Administrations, the HEW Regional Offices, and one member of the Council (Who is also the Director of a State Welfare Department), was consulted in the preparation of these regulations. The completed regulations were subsequently submitted in draft form to the Council for its review and recommendations.

Section 1908(f)(1) of the Social Security Act created the Council to advise the HEW Secretary and the States in carrying out the provisions of all of Section 1908 as it applies to the nursing home administrator licensure program. As an additional responsibility Section 1908(f)(2) requires the Council to complete six other specific tasks. Only the first five of these tasks, however, were to be completed by July 1, 1969.

In addition to the on-going functions prescribed in Section 1908(f)(1), the sixth task of the Council is to study, develop, and recommend to the Secretary and the States, training, and instruction programs for those individuals desiring to pursue careers in nursing home administration. This is in accordance with the requirements of Section 1908(f)(2)(F). Section 1908(f)(5) terminates the existence of the Council on December 31, 1971.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,  
SOCIAL AND REHABILITATION SERVICE.  
*Washington, D.C., November 24, 1969.*

To: State agencies administering medical assistance programs.

Subject: Report of the National Advisory Council on Nursing Home Administration.

Attached is the report to the Secretary of Health, Education, and Welfare by the National Advisory Council on Nursing Home Administration, as required by Section 1908(f)(2) of the Social Security Act.

Each segment of the five-part report was written as a self-contained entity and contains the Council's recommendations in the following areas:

1. Identification of the Core of Knowledge to qualify an individual to serve as a nursing home administrator;
2. Administrative experience required of a nursing home administrator;
3. Discussion of testing techniques to identify nursing home administrator qualifications;
4. Criteria for a "waiver" program; and
5. Training programs for "waived" nursing home administrators.

The recommendations contained therein were developed by the Council after conducting extensive public hearings in major cities and considering the views and recommendations of more than 150 representatives of professional, Federal, State, and voluntary organizations; the press; and individuals concerned with nursing home care such as facility employees, patients, and relatives of patients.

This report represents the Council's advice to the Secretary and to the States, and is hereby submitted to the States to assist them in carrying out

the provisions of Section 1908 of the Social Security Act, "State Programs for Licensing of Administrators of Nursing Homes." The report and its contents are thus intended to be advisory and not mandatory, and they should not be regarded as Federal regulations or directives.

Sincerely,

THOMAS LAUGHLIN, Jr.,  
*Acting Commissioner.*

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,  
NATIONAL ADVISORY COUNCIL ON NURSING HOME ADMINISTRATION.

Hon. ROBERT H. FINCH,  
*Secretary of Health, Education, and Welfare,*  
*Washington, D.C.*

DEAR MR. SECRETARY: Attached is the Report of the National Advisory Council on Nursing Home Administration required by Section 1908(f) (2) of the Social Security Act.

This report includes the Council's recommendations in the following areas:

1. Core of Knowledge to qualify an individual to serve as a nursing home administrator;
2. Optimal institutional administration experience required of a nursing home administrator;
3. Discussion of testing techniques to identify nursing home administrator qualifications;
4. Criteria for a "waiver" program; and
5. Training programs for "waivered" nursing home administrators.

These recommendations were developed by the Council after conducting extensive public hearings in major cities and considering the views and recommendations of more than 150 representatives of professional organizations; Federal, State and voluntary organizations; the press; and individuals concerned with nursing home care such as facility employees, patients, and relatives of patients.

Respectfully submitted.

HAROLD BAUMGARTEN, Jr.  
*Chairman, National Advisory  
Council on Nursing Home Administration.*

LICENSURE OF NURSING HOME ADMINISTRATORS

REPORT TO THE SECRETARY OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, WASHINGTON, D.C., SUBMITTED BY NATIONAL ADVISORY COUNCIL ON NURSING HOME ADMINISTRATION, JULY 1, 1969

*Members of the National Advisory Council on Nursing Home Administration*

Chairman, Harold Baumgarten, Jr., New York, New York

Members, Sister M. Ambrosette, O.S.F., Kaukauna, Wisconsin; Walter E. Batchelder, M.D., Hilo, Hawaii; Miss Charline J. Birkins, Denver, Colorado; Hobart Jackson, Philadelphia, Pennsylvania; Andrew Pattulo, Battle Creek, Michigan; Harold G. Pearce, Chicago, Illinois; Donovan J. Perkins, D.P.A., Fullerton, California; George Sharpe, M.D., Kensington, Maryland.

Executive Secretary, Charles A. Cubbler, Washington, D.C.

Council Staff: Sidney J. Leigh, Assistant Executive Secretary (MSA) Washington, D.C.; Edward L. Palder, Assistant Executive Secretary (MSA) Washington, D.C.; Mrs. Shelby A. Minor, Department of Health, Education, and Welfare, Washington, D.C.; Mrs. Connie Harris, Department of Health, Education, and Welfare, Washington, D.C.; Miss Brenda Walker, Department of Health, Education, and Welfare, Washington, D.C.

Consultants: Emanuel J. Bund, J.Sc.D., Legal; Patricia A. Cahill, Educational; Peter Teitelman; Benjamin Latt; Paul Pedersen, M.D.

Administrative Assistance: Judith J. Weaver, Columbia University, New York, New York; Sister Janalee, St. Paul Nursing Home, Kaukauna, Wisconsin; Ernestine B. Barbera, Stephen Smith Home for the Aged, Philadelphia, Pennsylvania; Gloria J. Niggli, Blue Cross Association; Washington, D.C.

INTRODUCTION

The National Advisory Council on Nursing Home Administration was created in July, 1968 in accordance with Section 1908 (f) (1) of Title XIX of the Social Security Act, for the purpose of advising the Secretary and the States in carrying

out the provisions of Section 1908 which establishes the basis for State programs for licensing of administrators of nursing homes. The Council was given the responsibility of submitting a report to the Secretary in which it was to advise him with regard to the following charges found in Section 1908 (f) (2) (A)-(E) :

(a) To study and identify the Core of Knowledge that should constitute minimally the training in the field of institutional administration which should qualify an individual to serve as a nursing home administrator;

(b) To study and identify the experience in the field of institutional administration that a nursing home administrator should be required to possess;

(c) To study and develop model techniques for determining whether an individual possesses such qualifications;

(d) To study and develop model criteria for granting waivers under the provisions of subsection (d) (of Section 1908) ;

(e) To study and develop suggested programs of training referred to in subsection (d) (Training Programs for Waivered Administrators).

The report was to be submitted in accordance with Section 1908 (f) (2) (G) which states that the Council is "to complete the functions A. through E. above by July 1, 1969, and submit a written report to the Secretary which report shall be submitted to the States to assist them in carrying out the provisions of this Section." Parts I through V are separate and complete reports of the Council's recommendations for each of the respective subjects.

#### SUMMARY OF COUNCIL'S ACTIVITIES BETWEEN JULY 1968 AND JULY 1969

In addition to regular meetings of the Council, six public meetings were held. At these public meetings the Council benefited from prepared statements as well as informal discussion with over one hundred and fifty people, each offering advice on matters directly relating to the five topics above.

Further, the Council had the advice and assistance of many highly qualified consultants during its year of study. Consultation was sought and received from within government at both Federal and State levels, as well as from recognized experts primarily in the fields of law, education, medicine, and professional licensure who were not government employees.

The results of this year of effort are found in the responses to specific charges found in this report, a Model Law distributed early in 1969, and three additional documents now being prepared in accordance with the Council's charge and its response to a growing need in the States for technical information regarding licensure of nursing home administrators.

#### COUNCIL'S CONCERN

Although the text of the replies to the five statutory responses cannot reflect the Council's many considerations, three concerns of major importance should be apparent to the reader. First, that the Council believes that uniformity to the extent that reciprocity is facilitated among the States is imperative, and secondly, that the licensure program be considered as a vehicle for development of a responsive and responsible profession of Nursing Home Administration. A third and over-riding concern is the improvement of care and service to the thousands of persons who are and will be patients in the nursing homes of this nation.

#### ACKNOWLEDGEMENTS

The Council takes this opportunity to express its gratitude to each person who took the time and made the effort to appear at the public meetings. The value of their assistance to the Council is far greater than these notes can reflect. Further, the Council recognizes and expresses its respect and indebtedness to the consultants who so effectively served during many hours of deliberations. Finally, it is obvious to the Council that its staff gave far more of themselves than could have been asked and to them the Council must offer its greatest gratitude and expression of indebtedness.

#### PART I—CORE OF KNOWLEDGE

*Basic Charge.*—Section 1908(f)(2)(A) charges the Council "to study and identify the Core of Knowledge that should constitute minimally the training in the field of institutional administration which should qualify an individual to serve as a nursing home administrator."

*Need for Development of A Core of Knowledge.*—An identifiable core of knowledge is the foundation of any profession. The Core of Knowledge for the profession of nursing home administration represents the very heart of the Council's work and its principal reason for existence. A major deterrent to the professional

licensing of nursing home administrators in the past has been the fact that the Core of Knowledge has been ill-defined and without consensus as to its content.

*Testimony Relating to Core of Knowledge.*—Virtually all individuals presenting testimony to the Council made some references to the Core of Knowledge needed by nursing home administrators. Some related in depth while others made occasional reference. Even indirect references to needs, stimulated the thinking of many in the direction of matters for consideration in the Core of Knowledge.

Those speaking primarily to this subject included a variety of nationally recognized authorities related to the medical professions as well as educators, and practicing administrators.

Contributions also come from sources ranging from patients to representatives of the very large organizations.

*Most Frequently Mentioned Items.*—The nature of the testimony with regard to the Core of Knowledge revealed that the most frequently suggested items were:

Administrative Processes

Patient Care

Social Services

Government and Legislation

Community Resources and Relationships

Physical Environment

Role of the Nursing Home

Educational Requirements

With less frequency, testimony also covered the following:

Related Terminology

Human Relations

Protective Services

Professional Responsibility

Communications

Public Relations

Special Testimony on the Core of Knowledge

*Educational Requirements.*—Because of the variety of proposals, the Council concluded that development of the Core of Knowledge was in its infancy and that allowance should be made for its growth and development. It is because of the emerging nature of the Core of Knowledge that the Council recommends provision for an orderly elevation of the educational requirements for those entering the profession in order to improve the depth of preparation in the Core of Knowledge.

No educational requirement can be stipulated for those currently employed in the field. High school graduation is recommended for those entering the field from 1970-1975; two years of college for those entering the field from 1975-1980; a Bachelor's degree from 1980-1985; and finally the graduate professional preparation of a Master's degree in 1985 and thereafter.

(Representatives of the Church of God and the Church of Christ Scientist, however, asked for religious exemption in certain medical educational categories.)

*Continuing Education.*—Because of the anticipated development of the Core of Knowledge, provisions for continuing education as a requirement for the practice of nursing home administration are strongly urged as an essential part of any licensure program. This should be accomplished through the periodic re-registration of all licenses to practice nursing home administration.

*The Nine Subject Areas of the Core of Knowledge.*—The Council agreed on nine major categories of subject matter as the foundation of the Core of Knowledge. They are:

applicable standards of environmental health and safety

local health and safety regulations

general administration

psychology of patient care

principles of medical care

personal and social care

therapeutic and supportive care and services in long-term care

departmental organization and management

community interrelationships

*Guidelines to Educational Programming.*—It should be emphasized that while the outline of subjects is quite extensive, the depth to which each subject can be explored depends heavily on the future development of the Core of Knowledge, as well as the escalation of educational requirements for admission to the licensing examination.

An outline of the Core of Knowledge, as identified by the Council for the purpose of *developing* educational programming in nursing home administration, as opposed to a *guideline for examinations*, follows.

#### GENERAL ADMINISTRATION

**Planning :**

1. Systems Analysis
2. Institutional, Departmental and Unit Objectives

**Organizing :**

1. Departmental Organization
2. Functional Flow

**Direction :**

1. Policies and Procedures
2. Accountability

**Controlling :**

1. Responsibility
2. Accountability

**Staffing :**

1. Personnel Function
2. Human Relations

**Coordinating :**

1. Departmental Coordination
2. Functional Coordinator

**Reporting :**

1. Internal Reporting
2. Departmental Evaluation

**Budget :**

1. Accounting
2. Financial Analysis

#### HEALTH INSTITUTIONAL ADMINISTRATION

**Institutional Departments :**

- |                            |                                 |
|----------------------------|---------------------------------|
| 1. Nursing                 | 9. Medical Records              |
| 2. Housekeeping            | 10. Admitting                   |
| 3. Dietary                 | 11. Physical Therapy            |
| 4. Laundry                 | 12. Occupational Therapy        |
| 5. Pharmaceutical Services | 13. Medical and Dental Services |
| 6. Social Service          | 14. Laboratories                |
| 7. Business Office         | 15. X-ray                       |
| 8. Recreation              | 16. Maintenance                 |

**Community Inter-relationships**

1. Community medical care, rehabilitation and social service resources
2. Other community resources

#### NURSING HOME ADMINISTRATION

**Standards of Health and Safety :**

1. Nursing home licensing regulations
2. Management and nursing home environmental factors
  - Psychology of Nursing Home Patient Care
  - Principles of Medical Care for Nursing Home Administrators
  - Personal and Social Care of Nursing Home Patients
  - Nursing Home Patient/Family/Staff Relationships
  - Rehabilitation and Restorative Service for Nursing Home Patients

*Guidelines for Examinations.*—The Council recommends that written and/or oral examinations prepared by State Boards to determine whether applicants have attained the qualifications for licensure as nursing home administrators be based on the following guidelines:

#### APPLICABLE STANDARDS OF ENVIRONMENTAL HEALTH AND SAFETY

Hygiene and sanitation

Communicable diseases

Management of isolation

The total environment (noise, color, orientation, stimulation, temperature, lighting, air circulation)

Elements of accident prevention  
 Special architectural needs of nursing home patients  
 Drug handling and control  
 Safety factors in oxygen usage

#### LOCAL HEALTH AND SAFETY REGULATIONS

Guidelines vary according to local provisions

#### GENERAL ADMINISTRATION

- Institutional administration
- Planning, organizing, directing, controlling, staffing, coordinating, and budgeting
- Human relations :
  - 1. Management/employee inter-relationships
  - 2. Employee/employee inter-relationships
  - 3. Employee/patient inter-relationships
  - 4. Employee/family inter-relationships
- Training of personnel
  - 1. Training of employees to become sensitive to patient needs
  - 2. On-going in-service training/education

#### PSYCHOLOGY OF PATIENT CARE

- |                                  |                     |
|----------------------------------|---------------------|
| Anxiety                          | Motivation          |
| Depression                       | Separation reaction |
| Drugs, alcohol, and their effect |                     |

#### PRINCIPLES OF MEDICAL CARE

- |                        |                                 |
|------------------------|---------------------------------|
| Anatomy and physiology | Medical terminology             |
| Psychology             | Materia Medica                  |
| Disease recognition    | Medical Social Service          |
| Disease processes      | Utilization review              |
| Nutrition              | Professional and medical ethics |
| Aging processes        |                                 |

#### PERSONAL AND SOCIAL CARE

- Resident and patient care planning
- Activity programming :
  - 1. Patient participation
  - 2. Recreation
- Environmental adjustment :
  - 1. Inter-relationships between patient and :
    - (a) Patient
    - (b) Staff (staff sensitivity to patient needs as a therapeutic function)
    - (c) Family and friends
    - (d) Administrator
    - (e) Management (self-government/patient council)
- Rehabilitation and restorative activities :
  - 1. Training in activities of daily living
  - 2. Techniques of group therapy
- Interdisciplinary interpretation of patient care to :
  - 1. The patient
  - 2. The staff
  - 3. The family

#### THERAPEUTIC AND SUPPORTIVE CARE AND SERVICES IN LONG-TERM CARE

- Individual care planning as it embraces all therapeutic care and supportive services
- Meaningful observations of patient behavior as related to total patient care
- Interdisciplinary evaluation and revision of patient care plans and procedures
- Unique aspects and requirements of geriatric patient care
- Professional staff inter-relationships with patient's physician
- Professional ethics and conduct

Rehabilitative and remotivational role of individual therapeutic and supportive services

Psychological, social, and religious needs, in addition to physical needs of patient

The needs for dental service

#### DEPARTMENTAL ORGANIZATION AND MANAGEMENT

Criteria for coordinating establishment of departmental and unit objectives

Reporting and accountability of individual departments to administrator

Criteria for departmental evaluation (nursing, food service, therapeutic services, maintenance, housekeeping)

Techniques of providing adequate professional, therapeutic, supportive, and administrative services

The following departments may be used in relating matters of organization and management:

- |                            |                                 |
|----------------------------|---------------------------------|
| 1. Nursing                 | 9. Medical Records              |
| 2. Housekeeping            | 10. Admitting                   |
| 3. Dietary                 | 11. Physical Therapy            |
| 4. Laundry                 | 12. Occupational Therapy        |
| 5. Pharmaceutical Services | 13. Medical and Dental Services |
| 6. Social Service          | 14. Laboratories                |
| 7. Business Office         | 15. X-ray                       |
| 8. Recreation              | 16. Maintenance                 |

#### COMMUNITY INTER-RELATIONSHIPS

Community medical care, rehabilitative, and social services resources

Other community resources

1. Religious institutions
2. Schools
3. Service agencies
4. Government agencies

Third-party payment organizations

Comprehensive health planning agencies

Volunteers and auxiliaries

(Nothing contained in the foregoing shall preclude the board or agency from providing for an examination which excludes subjects for examination which shall be in derogation of, or in conflict with the teachings and practice of any recognized religious faith).

*Reciprocity.*—Attention is called to the importance of universal acceptance by all States of a base Core of Knowledge for the purpose of establishing reciprocity. Common practice in professional licensure requires the State granting the reciprocity to determine that the State from which the licensee is moving maintained a system and standards of qualifications and examinations which are substantially equivalent to those in the host State.

*Basis for Good Care and Treatment.*—To provide good care and treatment, the Core of Knowledge, as established, insures that an administrator has knowledge of the necessary standards of health and safety, management techniques, interpersonal relationships, medical problems and their effect on patients, supportive services, and community inter-relationships and resources. The Council suggests that major emphasis in both education and examination procedures be given to proper and effective interpersonal relationships involving staff, patient, relatives, and community. All of these are essential in order to provide good care and treatment.

#### PART II—EXPERIENCE THAT A NURSING HOME ADMINISTRATOR SHOULD POSSESS

*Basic Charge.*—Section 1908 (f) (2) (B) charges the Council "to study and identify the experience in the field of institutional administration that a nursing home administrator should be required to possess."

*Need for an Experience Qualification in Nursing Home Administration.*—The many unique demands placed on the administrator in a nursing home makes it mandatory that some form of practical experience be made a part of any nursing home administration professional program of training and of a licensure program. This practice is common in virtually all of the medical and paramedical professions. In addition, Section 1908 (c) (1) recognizes the special nature of nursing

home administration by requiring State licensure agencies or boards to "develop, impose, and enforce standards which must be met by individuals . . . which standards shall be designed to insure that nursing home administrators will be individuals who are of good character and are otherwise suitable . . ." The Council concluded, after extensive investigation of methods of measuring suitability, that its best measure is through observation of work experience.

*Testimony Relating to Institutional Administration as a Factor of Experience.* Testimony was heard from many individuals regarding "experience" as a factor relating to good nursing home administration. There was considerable variation as to the amount as well as the type of experience recommended. This variation was dependent on each individual's particular frame of reference. Some speakers were concerned with experience as related to waiver of examination, while others addressed themselves to experience that they would consider desirable for persons about to enter the field of nursing home administration.

Except for extreme views, there was general agreement that some kind of experience in institutional administration was essential and for many individuals more important than current educational programs.

The most common recommendation was that this experience be gained in a nursing home; but hospital experience was found to be acceptable.

*Application of Experience Criteria.*—The Council agreed that experience criteria should be applied in the following categories and in the following manner.

Nursing home administrators who are granted a waiver as prescribed in Section 1908 (d).

Administrators granted a waiver under this provision are individuals who during all of the calendar year immediately preceding the calendar year in which a state's licensure program becomes effective shall have served as nursing home administrators. In effect, Section 1908 imposes a one-year experience requirement for these individuals.

Nursing home administrators who are entering the profession or who do not qualify for the waiver provision.

Applicants for licensure who have otherwise qualified, and have served a one-year period under the full-time supervision of a qualified, (licensed and registered) nursing home administrator in an authorized nursing home shall be licensed after passing an examination to test their knowledge of nursing home administration.

Guidelines for this year of supervised practical experience are, that:

1. Such training will be under the full-time supervision of a nursing home administrator.

2. Such training is likely to be of a grade and character satisfactory to the board or agency.

3. Such training is to be obtained in a duly authorized nursing home having authorized bed capacity of not less than fifty (50) beds.

4. Such training is to be served during eight consecutive hours daily, except for regular days off, between the hours of 7:00 a.m. and 10:00 p.m. with a minimum of 40 hours weekly in steady, bona fide, full-time employment.

5. A trainee agreement form is provided by the board or agency and signed by the nursing home administrator-in-training and the supervising nursing home administrator and submitted to the board or agency for approval.

6. The nursing-home-administrator-in-training has no outside employment during training hours or thereafter unless such employment is known to, and approved by the board or agency.

7. Alternating and rotating shifts of eight working hours may be approved by the board or agency as being acceptable upon request, provided that at least fifty percent of the training hours will be served between the hours of 7:00 a.m. and 10:00 p.m. in regular, steady full-time employment under the personal supervision of a nursing home administrator at the nursing home in which the nursing home administrator-in-training is employed.

8. The application for registration as a nursing home administrator-in-training shall be approved if the internship is to be served in a nursing home administered by a nursing home administrator:

(a) who has been approved for preceptorial training by the American College of Nursing Home Administrators or the American College of Hospital Administrators; or

(b) who has been appointed as a preceptor for internship by an approved college or university program or other appropriate professional organization.

9. Every nursing home administrator-in-training shall file quarterly detailed reports with the board on forms provided by the board and shall set forth an

accurate record of the duties performed by him during the period covered by such report.

10. Every report filed by the nursing home administrator-in-training shall be signed by the nursing home administrator of the place of internship.

11. A nursing home administrator-in-training may be allowed two weeks' leave for compulsory military training, vacation and sick leave each year without loss of credit for his required practical training and experience.

12. Discontinuance of internship as a nursing home administrator-in-training in the nursing home from which he is registered shall be reported to the board by the nursing home administrator and the trainee within ten days after such discontinuance.

13. Change of supervision of the nursing home administrator-in-training in any nursing home shall be reported to the board in writing by the employer and the trainee within ten days after the change of such supervision.

14. Practical training and experience satisfactory to the board shall include, assisting with the administrative activities of the nursing home, consistent with recognized preceptorial guidelines published by accredited universities and professional societies.

15. In the event that a nursing home administrator shall be found by the board to have been guilty of failing to provide the nursing home administrator-in-training an opportunity to adequately and generally train himself upon proper supervision in the administrative and operating activities and functions of the nursing home, such nursing home administrator may be deprived of nursing home administrator-in-training for such period of time as shall be prescribed by the board.

16. Any person who was a duly registered nursing home administrator-in-training whose training and experience shall have been interrupted by service in the armed forces of the United States, shall be permitted to resume his training and experience at any time within one year after the date of his discharge from active service.

17. The requirement for internship as administrator-in-training herein provided for shall not apply to any person who has successfully completed a course of study for a master's degree in nursing home administration or in a related health administration field and who has been awarded such degree from an accredited institution of higher learning.

#### Experience as a substitute for pre-professional education requirements:

The Council recognized that in some instances the pre-professional educational requirement may eliminate worthy candidates from entering the field of nursing home administration and advises the following:

1. The board or agency may accept evidence that the applicant has obtained four years of practical experience in nursing homes or in a related health care administration area for each year of *post-high school or post-secondary school education*.

NOTE.—The Council recognized that in most medical and para-medical "internships" control is exercised by academic institutions and not licensure agencies. However, this is impossible at this time due to the lack of academic institutions wth nursing home administration or similar type educational program.

2. Related health care administration is defined as administration practiced in one or more health related institutions. However, health care administration shall not mean.

(a) the administration of services to an individual;

(b) administrative services which do not have as a major component the supervision of more than one profession or discipline;

(c) an administrative position in which the individual has not assumed direct responsibility for and is not held accountable for his own acts.

NOTE.—Experience as a substitute for education was not intended by the Council to replace the year of practical supervised experience as an administrator-in-training.

### PART III—EXAMINATIONS AND INVESTIGATIONS

**Basic Charge.**—Section 1908(f)(2)(C) charges the Council with responsibility "to study and develop model techniques for determining whether an individual possesses" qualifications necessary to be licensed as a nursing home administrator.

The Council concluded that this charge was similar to that in Section 1908(c)(2) which charges State agencies or boards to "develop and apply appropriate techniques, including examinations and investigations, for determining whether an individual meets such standards."

## NEED FOR INVESTIGATION AND EXAMINATION

There are three separate needs for investigation or examination clearly indicated in Section 1908.

*Need 1.*—To insure that the individual who applies for licensure is of good character and is otherwise suitable.

This measurement must be made for all nursing home administrators including those who may otherwise qualify for waiver as defined in Section 1908(d). Hence, this is a standard which is universal.

*Need 2.*—To insure that the individual has had sufficient training and understanding of the Core of Knowledge to adequately prepare the individual to administer a nursing home in a safe and responsible manner.

*Need 3.*—To measure the experience the individual has had in institutional administration and to evaluate its quality and quantity as these relate to established standards for nursing home administration.

**PROPOSED METHOD OF INVESTIGATION AND EXAMINATION FOR (NEED 1) DETERMINING THAT THE INDIVIDUAL WHO APPLIES FOR LICENSURE IS OF GOOD MORAL CHARACTER AND IS OTHERWISE SUITABLE**

1. A candidate shall submit with his application two letters from individuals engaged in either business or professional work who shall certify to the good moral character of the applicant.

2. An applicant who has been convicted of a felony by any court in the State, or by any court of any other State of the United States, shall not be admitted to, or be permitted to take the examination provided for herein, unless he shall first submit to, and file with the agency or board, a certificate of good conduct granted by the board of parole, or in the case of a conviction in any jurisdiction wherein the laws do not provide for the issuance of a certificate of good conduct, an equivalent written statement or document.

3. To establish suitability and fitness to qualify for a license as a nursing home administrator, prior to being permitted to take the examination for license as a nursing home administrator, the applicant shall furnish evidence satisfactory to the board of:

(a) absence of physical impairments to perform the duties of a nursing home administrator; to include good health and freedom from contagious disease;

(b) absence of any mental impairment that would appear to the board or agency to be likely to interfere with the performance of the duties of a nursing home administrator;

(c) ability to understand and communicate general and technical information necessary to the administration and operation of a nursing home (i.e., applicable health and safety regulations);

(d) ability to assume responsibilities for the administration of a nursing home as evidenced by prior accredited activities and evaluation of prior services, and evidence secured by the board or agency; and,

(e) ability to relate the physical, psychological, spiritual, emotional, and social needs of ill and/or aged individuals to the administration of a nursing home, including executives of the nursing home; and, to create the compassionate climate necessary to meet the needs of the patients therein.

4. The following shall be considered as guidelines for the purpose of determining qualification under paragraph 3 (d) and (e) hereof;

(a) On applicants currently in the field or to be waivered, the board or agency shall obtain letters of satisfactory performance covering at least the calendar year preceding the date of application; from employers, including governing boards of institutions; nursing home licensure agency; the agency administering Title XIX; and/or appropriate professional societies.

(b) The board shall obtain satisfactory letters of performance regarding new applicants to the field from prior employers and/or evaluation of performance of the individual as an "administrator-in-training."

5. The basic requirements for suitability set forth herein are to be considered minimal and may not be waivered.

6. The board may designate a time and place at which an applicant may be required to present himself for inquiry as to his suitability as provided for herein.

REVIEW OF METHODS OF EXAMINATION AND INVESTIGATION FOR (NEED 2) DETERMINING THAT THE INDIVIDUAL WHO APPLIES FOR LICENSURE HAS SUFFICIENT TRAINING AND UNDERSTANDING OF THE CORE OF KNOWLEDGE TO ADEQUATELY ADMINISTER A NURSING HOME

*Factors which should be examined.*—The Council determined that there are three factors which should be considered in developing an examination. They are: knowledge, decision-making, and implementation (e.g. ability to put knowledge into practice).

*Knowledge.*—An acceptable degree of mastery of the required common Core of Knowledge may initially be determined by multiple choice, oral, unassembled and/or essay types of examinations.

*Decision-Making.*—The ability to make decisions necessary to administer a nursing home can be determined by multiple choice "in-basket" or "critical incident" type examination. The latter could include oral and/or written formats.

*Implementation.*—Skill in implementation of the Core of Knowledge can be determined by prior performance and/or satisfactory completion of internship.

*Subjects for Examination.*—Every applicant for a license as a nursing home administrator, after meeting the requirements for qualification for examination, shall successfully pass a written and/or oral examination which shall include, but need not be limited to the following:

1. applicable standards of environmental health and safety
2. local health and safety regulations
3. general administration
4. psychology of patient care
5. principles of medical care
6. personal and social care
7. therapeutic and supportive care and services in long term care
8. departmental organization and management
9. community inter-relationships

*Types of Examinations.*—For the purpose of determining whether or not a nursing home administrator candidate possesses qualifications established for licensure, the following techniques of measurement are listed in the order of their current availability:

1. ORAL INTERVIEWS

The Council's guidelines with respect to subjects for oral interviews are as follows:

*Applicable standards of environmental health and safety*

- (a) Hygiene and sanitation
- (b) Communicable diseases
- (c) Management of isolation
- (d) The total environment (noise, color, orientation, stimulation, temperature, lighting, air circulation)
- (e) Elements of accident prevention
- (f) Special architectural needs of nursing home patients
- (g) Drug handling and control
- (h) Safety factors in oxygen usage

*Local health and safety regulations.*—(a) Guidelines vary according to local provisions.

GENERAL ADMINISTRATION

- (a) Institutional administration.
- (b) Planning, organizing, directing, controlling, staffing, coordinating, and budgeting.
- (c) Human relations :
  - 1. Management/employee inter-relationships
  - 2. Employee/employee inter-relationships
  - 3. Employee/patient inter-relationships
  - 4. Employee/family inter-relationships
- (d) Training of personnel
  - 1. Training of employees to become sensitive to patient needs
  - 2. On-going in-service training/education

PSYCHOLOGY OF PATIENT CARE

- |                                      |                         |
|--------------------------------------|-------------------------|
| (a) Anxiety                          | (d) Motivation          |
| (b) Depression                       | (e) Separation reaction |
| (c) Drugs, alcohol, and their effect |                         |

## PRINCIPLE OF MEDICAL CARE

- |                            |                                     |
|----------------------------|-------------------------------------|
| (a) Anatomy and physiology | (g) Medical terminology             |
| (b) Psychology             | (h) Materia Medica                  |
| (c) Disease recognition    | (i) Medical Social Service          |
| (d) Disease processes      | (j) Utilization review              |
| (e) Nutrition              | (k) Professional and medical ethics |
| (f) Aging processes        |                                     |

## PERSONAL AND SOCIAL CARE

- (a) Resident and patient care planning.
- (b) Activity programming.
  - 1. Patient participation
  - 2. Recreation
- (c) Environmental adjustment: 1. Inter-relationships between patient and :
  - (a) Patient
  - (b) Staff (staff sensitivity to patient needs as a therapeutic function)
  - (c) Family and friends
  - (d) Administrator
  - (e) Management (self-government/patient council)
- (d) Rehabilitation and restorative activities :
  - 1. Training in activities of daily living
  - 2. Techniques of group therapy
- (e) Interdisciplinary interpretation of patient care to :
  - 1. The patient
  - 2. The staff
  - 3. The family

## THERAPEUTIC AND SUPPORTIVE CARE AND SERVICES IN LONG-TERM CARE

- (a) Individual care planning as it embraces all therapeutic care and supportive services.
- (b) Meaningful observations of patient behavior as related to total patient care.
- (c) Inter-disciplinary evaluation and revision of patient care plans and procedures.
- (d) Unique aspects and requirements of geriatric patient.
- (e) Professional ethics and conduct.
- (f) Professional staff inter-relationships with patient's physician.
- (g) Rehabilitative and remotivational role of individual therapeutic and supportive services.
- (h) Psychological, social, and religious needs, in addition to physical needs of patient.
- (i) The needs for dental services.

## DEPARTMENTAL ORGANIZATION AND MANAGEMENT

- (a) Criteria for coordinating establishment of departmental and unit objectives.
- (b) Reporting and accountability of individual departments to administrator.
- (c) Criteria for departmental evaluation (nursing, food service, therapeutic services, maintenance, housekeeping).
- (d) Techniques of providing adequate professional, therapeutic, supportive, and administrative services.
- (e) The following departments may be used in relating matters of organization and management :
 

1. nursing	9. medical records
2. housekeeping	10. admitting
3. dietary	11. physical therapy
4. laundry	12. occupational therapy
5. pharmaceutical services	13. medical and dental services
6. social service	14. laboratories
7. business office	15. x-ray
8. recreation	16. maintenance

## COMMUNITY INTER-RELATIONSHIPS

- (a) Community medical care, rehabilitative and social services resources.
- (b) Other community resources :
  - 1. Religious institutions
  - 2. Schools
  - 3. Service agencies
  - 4. Government agencies
- (c) Third party payment organizations
- (d) Comprehensive health planning agencies
- (e) Volunteers and auxiliaries.

Nothing contained in the foregoing shall preclude the board or agency from providing for an examination which excludes subjects for examination which shall be in derogation of, or in conflict with the teachings and practice of any recognized religious faith; provided however any applicant seeking to be entitled to such examination hereunder shall submit evidence satisfactory to the board or agency that he is in fact an adherent of such recognized religious faith. (To be considered in accordance with individual State law.)

## 2. UNASSEMBLED EXAMINATIONS

This type of examination must contain at least :

academic background,  
accreditable experience,  
affiliation and/or activity in professional society,  
participation in continuing education,  
contributions to education,  
contributions to professional literature,  
participation in research or demonstration of new techniques, and  
community health and civic activities.

## 3. ESSAY TYPES

This type is available from formal academic programs in medical care administration.

## 4. MULTIPLE CHOICE

The Council has received testimony from officials of the Professional Examination Service of the A.P.H.A. and from the nursing home branch of the United States Public Health Service regarding the development of a bank of test questions through a U.S.P.H.S. grant. In the judgment of the Council this method of testing is of value only to measure knowledge or informational recall. At the present time a meaningful evaluation of this bank of questions is not available.

## 5. SPECIALIZED EXAMINATION PROCEDURES

Several specialized examinations such as "in-basket" and "critical incident" techniques are available in the U.S. academic community today.

*Problems of Developing Uniformity in Testing.*—Until there is a greater degree of uniformity among the States as to the definitions of nursing home, nursing home administrator, and the practice of nursing home administration, there will be difficulties in prescribing the body of knowledge to which a nursing home administrator should be privy. The "mix" of subjects in terms of their examination importance can be expected to change, depending upon each State's definition of a nursing home. For example, some States license residential-care-homes or homes-for-the-aged as nursing homes. Under such circumstances one could expect a more comprehensive examination section on social components of care than would exist in States which license only medical care facilities as nursing homes.

*Testing by State for Local Health and Safety Regulations.*—A uniform examination cannot be developed for the use of all States because of the wide variance of health and safety requirements in each State. It is suggested that each State develop a series of questions based on its own codes and laws. These questions may be similar to written examinations for an automobile operator's license, where positive statements of factors in the law may be tested using the multiple choice technique for the correct answer.

*Pre-examination Requirements.*—The Council considered the requirements which should be imposed prior to examination and recommends the following:

1. No person shall be admitted to or be permitted to take an examination for license as a nursing home administrator unless he shall have first submitted evidence satisfactory to the board or agency,

(a) that he is over twenty-one years of age and that he is a citizen of the United States of America, or has duly declared his intention of becoming a citizen of the United States of America;

(b) that he is of good moral character;

(c) that he is suitable and fit to be licensed and to practice as a nursing home administrator; and

(d) except for an applicant for a waiver or provisional license, on and after (July 1, 1970), he has satisfactorily completed a course of study and has been graduated from a high school or secondary school approved and recognized by the educational authorities of the State in which such school is located, or a political subdivision thereof, or has submitted a certificate indicating that he has obtained high school or secondary school equivalency, such certificate being duly certified by a State educational authority or a political subdivision thereof; or, that on and after (January 1, 1975), in addition to completion of high school or secondary school education as herein provided, has successfully completed two years college level study in an accredited institution of higher learning; or, that on and after (January 1, 1980) he has successfully completed a course of study for and has been awarded a baccalaureate degree; or, on and after (January 1, 1985) he has successfully completed a course of study and has been awarded a master's degree from an accredited institution of higher learning; and

(e) except for an applicant for a waiver or provisional license, on and after (July 1, 1970), in addition to meeting the requirements herein provided, each applicant who has not completed a regular course of study or program in an accredited institution of higher learning, which course of study or program shall have been approved by the board or agency as being adequate academic preparation for nursing home administration, shall submit evidence to the board or agency that he has attended a specialized approved course of study in the area of nursing home administration, and

(f) that a candidate for examination for license as a nursing home administrator may submit evidence satisfactory to the board or agency that he has obtained four years of practical experience in nursing home administration or in related health administration area, for each year of required post-high school or post-secondary school education.

2. Related health care administration is defined as administration practiced in one or more health related institutions, but shall not mean:

(a) the administration of service to an individual;

(b) administrative service which does not have as a major component the supervision of more than one profession or discipline;

(c) an administrative position in which the individual has not assumed direct responsibility for and is not held accountable for his own acts.

*Grading Examinations.*—With regard to grading examinations the Council recommends the following guidelines:

1. Every candidate for a nursing home administrator's license shall be required to pass the examination for such licenses with a grade of at least 75 percent.

2. Gradings need not represent arithmetic percentages, but may, in the board's or agency's discretion, be higher than percentage ratings and may be computed on the basis of either an arithmetic addition of a certain number of points to the percentage rating of each candidate, or an arithmetic adjustment of deductions for errors or of credits for correct answers obtained by each candidate.

3. The board or agency shall determine a method of grading each section of the examination separately, and shall apply such method uniformly to all candidates taking that examination.

4. The board or agency shall not disclose the percentage ratings of candidates by individual identity to any of its officers or employees responsible for determining the final grading of an examination until such determination has been made.

5. If an oral examination is used, totally or as part of the examination process, the board or agency, or the examiners designated for such purpose, shall use as a basis for such oral examination, a written prepared outline of subject matter

(see guidelines prepared for the oral examination). The board or agency shall designate weighted values to the subject matter for such oral examination.

**PROPOSED METHOD OF INVESTIGATION AND EXAMINATION FOR (NEED 3) MEASURING THE ADEQUACY OF INSTITUTIONAL ADMINISTRATION EXPERIENCE**

For Nursing Home Administrators being granted a waiver as prescribed in Section 1908(a) the only measurement possible with regard to experience is that prescribed by the Law.

The board or agency shall grant a waiver "to any individual who during all of the calendar year immediately preceding the calendar year in which the requirements prescribed in Section 1902(a)(29) are first met by the State, has served as a nursing home administrator."

For all others the Council recommends one year of supervised experience in accordance with the following guidelines:

1. Every applicant for a nursing home administrator license who shall have otherwise qualified and have passed the examination required shall serve for a one year period under the fulltime supervision of a duly licensed and registered nursing home administrator in an authorized nursing home in accordance with the rules and regulations of the Agency or Board.

2. The nursing home administrator-in-training shall submit quarterly reports on forms provided therefor by the Agency or Board.

These recommendations shall not apply to any individual who has been licensed as a professional or waivered nursing home administrator, or to any individual who has successfully completed a course of study for a master's degree in nursing home administration or in a related health care administration field and who has been awarded such degree from an accredited institution of higher learning.

Every nursing home administrator-in-training shall register the fact of such training with the Agency or Board in accordance with the rules and regulations and on forms provided therefor by the Agency or Board.

NOTE.—More detailed guidelines for the year of supervised experience are available in Part II section of this Report dealing with experience that a nursing home administrator should possess.

#### PART IV—CRITERIA FOR GRANTING WAIVERS

*Basic Charge.*—Section 1908(f)(2)(D) charges the Council "to study and develop model criteria for granting waivers" for administrators of nursing homes who qualify in accordance with Section 1908 (d) and (e) in States where such waivers are granted.

*Statutory Authority.*—Section 1908(d)(1) and (2), and (e)(1) and (2) of title XIX constitute the statutory authority for waiver or provisional licensing, and the training of individuals so qualified, as follows:

"(d) No State shall be considered to have failed to comply with the provisions of section 1902(a)(29) because the agency or board of such State (established pursuant to subsection (b)) shall have granted any waiver, with respect to any individual who during all of the calendar year immediately preceding the calendar year in which the requirements prescribed in section 1902(a)(29) are first met by the State, has served as a nursing home administrator, of any of the standards developed, imposed, and enforced by such board pursuant to subsection (b)(1) other than such standards as relate to good character or suitability if—

"1. such waiver is for a period which ends after being in effect for two years or on June 30, 1972, whichever is earlier, and

"2. there is provided in the State (during all of the period for which waiver is in effect), a program of training and instruction designed to enable all individuals, with respect to who many such waiver is granted, to attain the qualifications necessary in order to meet such standards."

#### COUNCIL'S PROPOSED METHODOLOGY FOR GRANTING WAIVERS

The Council recommends that the waiver provision; if exercised by a State, through the appropriate agency or board, use the technique of a "Provisional License" rather than a waiver of part or all of the criteria established for licensure.

The provisional license is to be issued in accordance with the following methodology :

The agency or board may issue a provisional license to any individual applying therefor who (1) has served as a nursing home administrator during all of the calendar year immediately preceding the effective date of the State's licensure act and (2) meets the standards of the agency or board and of the State licensure act relating to good character, suitability, age, and citizenship.

Such provisional license shall terminate after two years or at midnight, June 30, 1972, whichever is earlier, and shall be cancelled and be of no legal force or effect thereafter; provided however that if, prior to the expiration of such provisional license, such provisional nursing home administrator shall have passed a qualifying examination as required by the agency or board, a nursing home administrator license shall be issued to him.

A provisional license or extension thereof may not be issued to any person after June 30, 1972.

#### RECOMMENDATIONS

With regard to part (1) above, the Council should do little more than reflect the statutory authority; however, part (2) requires agencies or boards to establish criteria for (a) good character, (b) suitability, (c) age, and (d) citizenship. The council recommends no waiver of any requirement with respect to (a), (b), (c) or (d), as these criteria are applied to fully licensed nursing home administrators. The Council further advises no waiving of any portion of standards with respect to the applicant's need to demonstrate capacity to understand and apply all elements of the Core of Knowledge. In effect, the States are urged to issue only two types of licenses until June 30, 1972: i.e. the provisional license and the regular license as a nursing home administrator. After June 30, 1972, only the full or regular license is to be issued.

The Council heard extensive testimony with regard to the dangers of issuing partial licenses or restricted licenses. The Council agreed with this testimony and recommends no such licensure program or methodology. Hence the "waiver" provision is a waiver of:

1. Educational requirements precedent to taking a licensure examination,
2. Supervised experience requirements precedent to be licensed,
3. For a period terminating June 30, 1972, a requirement to pass an examination in order to practice nursing home administration. Even though an applicant may be waivered from demonstrating that he meets fully the standards set relative to capacity to understand and apply all elements of the Core of Knowledge, the Council urges that no waiver of responsibility for practice be implied in the issuance of a provisional license.

The Council recommends the following guidelines with respect to criteria which may not be waivered:

1. Good character:
  - (a) A candidate shall submit with his application two letters from individuals engaged in either business or professional work who shall certify to the good moral character of the applicant.
  - (b) An applicant who has been convicted of a felony by any court in this State, or by any court of any other State of the United States, shall not be admitted to, or be permitted to take a licensure examination, unless he shall first submit to and file with the agency or board, a certificate of good conduct granted by the board of parole, or in the case of a conviction in any jurisdiction wherein the laws do not provide for the issuance of a certificate of good conduct, an equivalent written statement or document.
2. Suitability:
  - (a) Absence of physical impairments to perform the duties of a nursing home administrator; to include good health and freedom from contagious disease;
  - (b) Absence of any mental impairment that would appear to the board or agency to be likely to interfere with the performance of the duties of a nursing home administrator;
  - (c) Ability to understand and communicate general and technical information necessary to the administration and operation of a nursing home (i.e., applicable health and safety regulations);
  - (d) Ability to assume responsibilities for the administration of a nursing home as evidenced by prior accredited activities and evaluation of prior services, and evidence secured by the board or agency; and,
  - (e) Ability to relate the physical, psychological, spiritual, emotional, and social needs of ill and/or aged individuals to the administration of a nursing

home, including executives of the nursing home; and, to create the compassionate climate necessary to meet the needs of the patients therein.

3. Age: The candidate shall submit evidence that he is at least twenty-one years old.

4. Citizenship: The candidate shall submit evidence that he is a citizen of the United States of America or that he has duly declared his intention of becoming a citizen of the United States of America.

#### PART V—SUGGESTED PROGRAMS OF TRAINING FOR WAIVERED ADMINISTRATORS

*Basic Charge.*—Section 1908(f) (2) (E) charges the Council with responsibility to "study and develop suggested programs of training" for individuals who qualify for and are granted "waivers."

*Statutory Authority.*—Section 1908(d) (2) states: "(2) There is provided in the State (during all of the period for which waiver is in effect) a program of training and instruction designed to enable all individuals, with respect to whom any such waiver is granted, to attain the qualifications necessary in order to meet such standards."

Section 1908(e) states:

"(1) There are hereby authorized to be appropriated for fiscal year 1968 and the four succeeding fiscal years such sums as may be necessary to enable the Secretary to make grants to States for the purpose of assisting them in instituting and conducting programs of training and instruction of the type referred to in subsection (d) (2).

"(2) No grant with respect to any such program shall exceed 75 per centum of the reasonable and necessary cost, as determined by the Secretary, of instituting and conducting such program."

#### APPROVAL AND CRITERIA OF APPROVAL OF PROGRAMS OF TRAINING AND INSTRUCTION

The Council advises that controls must be exercised by the appropriate agency or board to assure the value, quality, and appropriateness of educational programs as called for in Section 1908(d).

Further, the Council feels such guidelines for controls are essential to agencies and boards in order to facilitate reciprocity among State licensure authorities.

The Council agrees that the quality of the educational effort must be sufficient to improve existing levels of knowledge in the field of nursing home administration. If such is not the case, patients and the people of this nation will receive no benefit from the expenditure of public funds to educate nursing home administrators. The following guidelines are suggested, in addition to or as part of any procedures which may be established within government in the processing of the 75 percent reimbursement for training of waivered licensees.

#### REGISTRATION OF INSTITUTIONS AND COURSES OF STUDY

Any courses of study offered by an educational institution, association, professional society, or organization for the purpose of qualifying applicants for licensure as nursing home administrators shall first be registered with the State agency or board on forms provided therefor.

#### APPROVAL OF PROGRAMS OF STUDY BY THE STATE AGENCY OR BOARD

##### 1. Programs of study in accredited educational institutions.

A program of study designed to train and qualify applicants for licensure as nursing home administrators offered by any accredited university or college shall be deemed acceptable and approved for such purpose, provided however that:

(a) such program shall have been registered with the board or agency as required; and,

(b) such program shall include the following general subject areas or their equivalents:

1. Applicable standards of environmental health and safety
2. Local health and safety regulations
3. General administration
4. Psychology of patient care
5. Principles of medical care
6. Personal and social care
7. Therapeutic and supportive care and services in long-term care
8. Departmental organization and management
9. Community inter-relationships; and,

(c) such program shall meet the academic requirements of the college or university for awarding of academic credit; or, such program is within the jurisdiction of an academic department of an accredited university or college and does not offer academic credit.

2. Jointly sponsored programs of study.

Any program offered by an educational institution, association, professional society, or organization other than an accredited college or university, shall be approved by the board or agency, provided however,

(a) such program shall have been registered with the board or agency as required, and,

(b) such program shall include the following general subject areas or their equivalents:

1. Applicable standards of environmental health and safety
2. Local health and safety regulations
3. General administration
4. Psychology of patient care
5. Principles of medical care
6. Personal and social care
7. Therapeutic and supportive care and services in long-term care
8. Departmental organization and management
9. Community inter-relationships; and,

(c) shall be jointly sponsored with an accredited university or college; and

(d) before approval by the board or agency, announcement and/or publication, the proposed programs together with the faculty assignments shall be submitted to the board or agency, at least six months prior to anticipated registration of students.

3. Upon completion of an approved program of study, the sponsor or sponsors of the program shall issue certificates of attendance or other evidence of attendance satisfactory to the board or agency.

4. Nothing contained herein shall preclude the board or agency from providing for any program of study which excludes subjects which shall be in derogation of, or in conflict with the teachings and practice of any recognized religious faith; provided, however, any applicant seeking to be entitled to be admitted to such program of study hereunder shall submit evidence satisfactory to the board or agency that he is in fact an adherent of such recognized religious faith.

**CERTIFICATION OF PROGRAM STUDY FOR FEDERAL FINANCIAL PARTICIPATION AS PROVIDED UNDER SECTION 1908 OF THE SOCIAL SECURITY ACT**

Section 1908, paragraph (e), (1) and (2) of the Social Security Act provides Federal matching funds not to exceed 75 percent of the cost of training and instruction designed to enable all individuals to whom a provisional license has been granted to attain necessary qualifications to meet the standards of licensure.

Sponsors qualifying under these guidelines and desirous of obtaining participation in such funds shall first apply to the board or agency for registration and approval of such program as a condition precedent to certification for Federal financial participation by the single State agency for title XIX.

**OVERVIEW**

With regard to the course content, the attached functional flow chart indicates that there is a direct dependency relationship between the subjects of the licensure examination and the course curriculum. Hence, the nine subject areas for examination, as spelled out in this report and the explanatory guidelines, provide the foundation for the various courses in the program.

It is imperative that all education efforts in nursing home administration use the basic subject areas as minimums if the legislative intent of the Social Security Act to improve the quality of nursing home administration is to be fulfilled. It is equally imperative that uniformity be the order in these educational efforts to facilitate reciprocity between States.

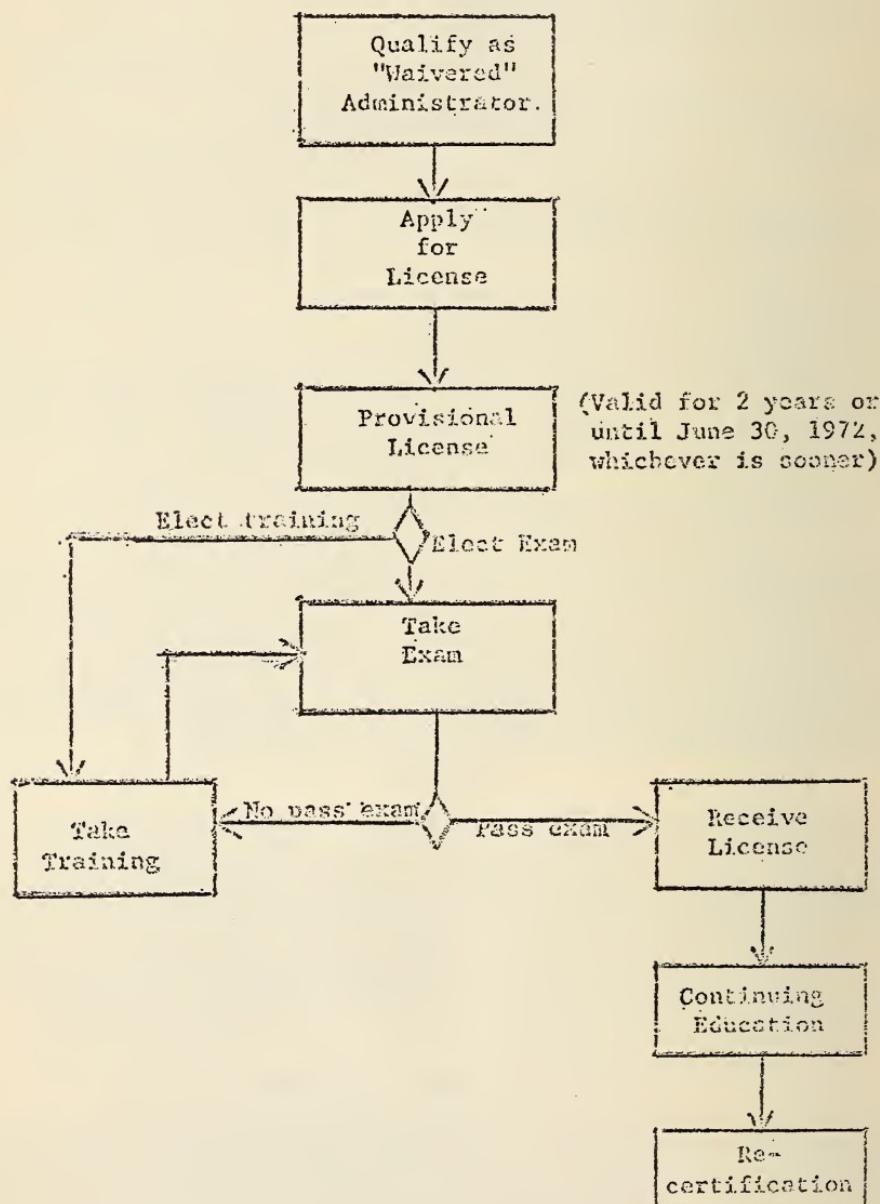
**LACK OF EDUCATIONAL RESOURCES**

The Council recognizes that there is an acute shortage of educational resources for the training of nursing home administrators during the next two years. The application of modern educational techniques however, can expand the capacity of the educational community sufficiently to meet this demand, if the current lack of interest in the subject on the part of educators is overcome. A major financial

investment will have to be made in the immediate future for the development of teaching resources and the preparation of various educational media. Despite the urgent need for coordination and unity of leadership these funds cannot logically be provided only from taxes.

#### FUNCTIONAL FLOW

"Waivered" Administrators



## THE COUNCIL'S TRAINING APPROACH FOR WAVERED ADMINISTRATORS

There are fifty States and four jurisdictions preparing to enforce nursing home administrator licensure legislation. There is the distinct possibility that fifty-four separate training programs will develop across the country. In some States, this may mean that a program will train to an examination; in another State, a lengthy and in-depth program may attempt to synthesize and form a base for a master's program in nursing home administration; in still another State, the program may take the form of a casual, one-week seminar session. The program's quality, content, and methodology are not likely to be uniform. This, then, is the general problem to be considered: the preparation and recommendation on a national scale of a flexible training program with content and methodology of uniform high quality. After surveying existing programs, the Council advises that educational programs of approximately 100 classroom hours be prepared. The immediate objective of each 100 hour training program is the preparation of the waivered nursing home administrator in all 9 areas of content outlined in the Council's outline of the Core of Knowledge. Translated into general performance terms, after a 100 hour training program, the trainee should be able to demonstrate knowledge in each specified subject area via a written and/or oral examination.

However, the general problem of uniform quality, content and methodology indicated above pinpoints two major difficulties which will be present in any preparation for developing this training program. They are the extent of content to be presented and the calibre of trainee to be instructed. The Council has outlined the Core of Knowledge that should constitute initially the training in the field of institutional administration which should qualify an individual to serve as a Nursing Home Administrator as called for in Section 1908 (f) (2) (A).

Since training for waivered administrators should correspond to the subjects to be examined, it follows that the same outline should be used as the subject outline for a minimum 100 hour training program for the waivered administrators.

Early in calendar year 1970 the Council will complete a compendium of training program techniques with pertinent illustrative materials, specifically oriented to training efforts for waivered nursing home administrators. This activity is developed in furtherance of the Council's charge found in Section 1908 (f) (2) (E).

The document will be in no way usable or of value as a regulatory instrument. It is a detailed technical reference document being developed for use by those persons responsible for planning, conducting, and evaluating training programs.

It is anticipated that this compendium with its references, can substantially reduce the development costs for waivered administrator training programs.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE.  
SOCIAL AND REHABILITATION SERVICE.  
*Washington, D.C., November 24, 1969.*

## TO STATE AGENCIES ADMINISTERING MEDICAL ASSISTANCE PROGRAMS

**Subject:** Transmittal of Recommended Rules and Regulations for State Nursing Home Administrator Licensing Boards

Attached is a copy of the Recommended Rules and Regulations, with appropriate guidelines, that may be used by State boards or agencies established for the licensing of nursing home administrators.

These guidelines are based on recommendations by the National Advisory Council on Nursing Home Administration. Much of the material contained therein was accumulated from the open hearings conducted by the Council in many cities across the nation.

The suggested rules and regulations may be used, as appropriate, by any State board or agency, regardless of whether it was established under the State's healing arts act, or other legislation enacted by the State to comply with Section 1908 of the Social Security Act.

It is recognized that these recommended rules and regulations may need to be adapted to meet the requirements of each State program, and can be so modified

to comply with the State's individual nursing home administrator licensure statutes.

Sincerely,

THOMAS LAUGHLIN, Jr.,  
*Acting Commissioner.*

**RULES AND REGULATIONS (WITH GUIDELINES) FOR STATE LICENSING BOARDS OF NURSING HOME ADMINISTRATION—RECOMMENDED BY THE NATIONAL ADVISORY COUNCIL ON NURSING HOME ADMINISTRATION**

MEDICAL SERVICES ADMINISTRATION, SOCIAL AND REHABILITATION SERVICE,  
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

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Acting Chief, Nursing Home Branch—USPHS

NOTES

1. Title to conform to the individual State requirements and format.
2. Rule numbers and paragraph and sub-paragraph designations to conform to individual State requirements and format.

State of -----

**BOARD OF EXAMINERS\*  
OF  
NURSING HOME ADMINISTRATORS\***

Pursuant to the authority vested in the Board of Examiners of Nursing Home Administrators of the State of -----, the said Board has promulgated and by these presents, do hereby publish, Rules and Regulations of the Board of Examiners of Nursing Home Administrators of the State of -----, as authorized by the Laws of the State of -----.

GIVEN UNDER MY HAND and Seal of the Board of Examiners of Nursing Home Administrators of the State of -----, this ----- day of -----, 1969 at -----, -----

-----  
Chairman

**RULE 1. SOURCE OF AUTHORITY; TITLE**

The rules and regulations herein contained constitute, comprise, and shall be known as the rules and regulations of the board of examiners of nursing home administrators of the State of -----, and are hereby promulgated pursuant to the authority granted to, and imposed upon the said board under and pursuant to the provisions of the State licensing statute.

**RULE 2. GENERAL DEFINITIONS**

- a. Whenever used in these rules and regulations, unless expressly otherwise stated, or unless the context or subject matter requires a different meaning, the following terms shall have the respective meanings hereinafter set forth or indicated:

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\*Or other appropriate State agency authorized to license Nursing Home Administrators.

(1) "Board" means the board of examiners of nursing home administrators of the State of \_\_\_\_\_.

(2) "Nursing home administrator" means any individual who is charged with the general administration of a nursing home whether or not such individual has an ownership interest in such home and whether or not his functions and duties are shared with one or more other individuals, and who has been licensed and registered as such by the board in accordance with the provisions of the State licensing statute.

(3) "Nursing home administrator-in-training" means an individual registered as such with the board, under and pursuant to the law and these rules and regulations.

(4) "Practice of nursing home administration" means the performance of any act or the making of any decision involved in the planning, organizing, directing, and/or control of the operation of a nursing home.

(5) "Nursing home" means a place authorized as such by the appropriate licensing authority of this State.

(6) "Person" means an individual and does not include the terms firm, corporation, association, partnership, institution, public body, joint stock association, or any other group of individuals.

#### RULE 3. BOARD OF EXAMINERS; MEETINGS

a. The board shall meet regularly each month, except during the months of July and August.

b. The chairman, or other presiding officer of the board, may call special meetings thereof when, in his judgment, circumstances or functioning of the board require it.

#### RULE 4. BOARD OF EXAMINERS; GENERAL POWERS

a. The board shall exercise such powers as provided by the laws of this State pertaining to the licensing and registration of nursing home administrators.

b. The board shall appoint annually, with the approval of the Governor, an advisory council as provided for in the State licensing statute.

c. The board may remove any member of the advisory council for misconduct, incapacity, incompetence or neglect of duty after such member of the council shall have been given a written statement of the charges and an opportunity to be heard thereon, subject to review by the Governor.

d. From time to time the board shall make and publish such rules and regulations not inconsistent with law as it may deem necessary and proper for the execution and enforcement of the laws and rules and regulations governing the licensing and registration of nursing home administrators.

e. At the request of the advisory council, the board shall consider any matter relating to the licensing and registration of nursing home administrators.

f. The board shall submit to the advisory council any professional and/or technical matter concerning the licensing and registration of nursing home administrators of a general nature; provided however,

(1) that in no case shall the board submit to the advisory council any inquiry pertaining to the individual license or qualifications for license of a specific individual or licensee; and

(2) that the advisory council shall submit a recommendation in writing to the board within 60 days or within such period of time the board may direct.

g. The board shall: exercise quasi-judicial powers not inconsistent with law, including the power to issue subpoenas; compel the attendance of witnesses; and administer oaths.

#### RULE 5. BOARD OF EXAMINERS; OFFICERS AND DUTIES

a. The board shall elect annually from among its members a chairman and vice-chairman. The chairman of the board shall designate a secretary who shall not be a member of the board.\*

b. The chairman shall preside at all meetings of the board, and shall sign all official documents of the board. In the absence of the chairman, the vice-chairman shall preside at meetings, and perform all duties usually performed by the chairman.

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\*The secretary of the board shall be appointed or designated in accordance with the laws or procedures of the State where applicable.

c. In addition to the duties imposed by law, the secretary shall attend all meetings of the board; keep a full and complete record of the minutes of said meetings; notify the members of the board of the time and place fixed for meetings of the board; maintain the records pertaining to licensees and registrants and these rules and regulations; countersign all licenses and certificates of registration and official certificates of approval and certification issued by the board.

d. The secretary shall conduct all routine correspondence for the board, shall issue all notices of meetings and hearings, shall have custody of all books, records, and property of the board, and shall perform all duties pertaining to the office of secretary.

e. The secretary shall receive all monies payable to the board and shall pay the same to the comptroller (or treasurer or other officer) of the State as provided by law, and keep such financial records as are approved by the board and the fiscal authorities of the State.

#### RULE 6. SCHEDULING OF EXAMINATIONS AND RE-EXAMINATIONS

a. The board shall determine the subjects of examination of applicants for license as a nursing home administrator, and the scope, content, form and character of such examinations which in any examination shall be the same for all candidates.\*

b. Examinations shall be held at least four times a year, at such times and places as shall be designated by the board.

c. Following the close of every examination the questions submitted and the answers made thereto by the applicant together with a record stating in detail the result of the examination for each candidate, shall be kept by the board for a period of two years. These may be destroyed at the end of such period (or as required by State law).

#### RULE 7. PRE-EXAMINATION REQUIREMENTS; CONDITIONS PRECEDENT

a. No person shall be admitted to or be permitted to take an examination for license as a nursing home administrator unless he shall have first submitted evidence satisfactory to the board.

(1) that he is over twenty-one years of age;

(2) that he is a citizen of the United States of America, or that he has duly declared his intention of becoming a citizen of the United States of America; (as may be required by State law)

(3) that he is of good moral character;

(4) that he is suitable and fit to be licensed and to practice as a nursing home administrator; and,

(5) except for an applicant for a provisional license as provided by Rule 16, paragraph b of these rules and regulations, on and after (July 1, 1970), he has satisfactorily completed a course of study and has been graduated from a high school or secondary school approved and recognized by the educational authorities of the State in which such school is located, or a political subdivision thereof, or has submitted a certificate indicating that he has obtained high school or secondary school equivalency, such certificate being duly certified by a State educational authority or a political subdivision thereof; or, that on and after (January 1, 1975), in addition to completion of high school or secondary school education as herein provided, he has successfully completed two years college level study in an accredited institution of higher learning; or, on and after (January 1, 1980), he has successfully completed a course of study for and has been awarded a baccalaureate degree; or, on and after (January 1, 1985) he has successfully completed a course of study and has been awarded a master's degree from an accredited institution of higher learning; and

(6) except for an applicant for a provisional license as provided by Rule 16, paragraph b of these rules and regulations, on and after (July 1, 1970), in addition to meeting the requirements herein provided, each applicant who has not completed a regular course of study or program in an accredited institution of higher learning, which course of study or program shall have been approved by the board as being adequate academic preparation for nursing home administration, shall submit evidence satisfactory to the board that he has attended a specialized approved course of study in the area of

\*See Rule 10c.

nursing home administration in accordance with Rules 12 and 13 of these rules and regulations; and

(7) that a candidate for examination for license as a nursing home administrator may submit evidence satisfactory to the board that he has obtained four years of practical experience in nursing home administration or in a related health administration area, for each year of required post-high school or post-secondary school education.

b. The following shall be considered as guidelines for "health related administration." "Health related administration" is defined as administration practiced in one or more health related institutions. However "health related administration" shall *not* mean:

- (1) the administration of services to an individual;
- (2) a service which does not have as a major component the supervision of more than one profession or discipline;
- (3) an administrative position in which the individual has not assumed direct responsibility for and is not held accountable for his own acts.

#### RULE 8. APPLICATION FOR EXAMINATION

a. An applicant for examination and qualification for a license as a nursing home administrator shall make application therefor in writing, on forms provided therefor by the board, and shall furnish evidence satisfactory to the board that he has met the pre-examination requirements as provided for in the State licensing statutes and Rule 7 of these rules and regulations.

b. (1) A candidate for examination shall submit with his application two letters from individuals engaged in either business or professional work who shall certify to the good moral character of the applicant.

(2) An applicant for examination who has been convicted of a felony by any court in this State, or by any court of the United States, or by any court of any other State of the United States, shall not be admitted to, or be permitted to take the examination provided for herein, unless he shall first submit to, and file with the board, a certificate of good conduct granted by the board of parole, or in the case of a conviction in any jurisdiction wherein the laws do not provide for the issuance of a certificate of good conduct, an equivalent written statement or document. *See note*

(3) An applicant for examination who has been convicted of a misdemeanor shall not be admitted to, or permitted to take the examination provided for herein unless he shall first submit to and file with the board a certificate or letter of good conduct from the proper parole, probation, court or police authorities, wherein such conviction was had, or submit an equivalent written statement or document. *See note*

**NOTE.**—States may modify requirements as to the certificate of good conduct or *equivalent*, set forth in b(2) and (3), according to the statutory requirements and procedures of the respective States.

c. To establish suitability and fitness to qualify for a license as a nursing home administrator, as required by the State licensing statute, prior to being permitted to take the examination for license as a nursing home administrator, the applicant shall furnish evidence satisfactory to the board of:

(1) absence of physical impairments to perform the duties of a nursing home administrator; to include good health and freedom from contagious disease;

(2) absence of any mental impairment that would appear to the board to be likely to interfere with the performance of the duties of a nursing home administrator;

(3) ability to understand and communicate general and technical information necessary to the administration and operation of a nursing home, (i.e., applicable health and safety regulations);

(4) ability to assume responsibilities for the administration of a nursing home as evidenced by prior accredited activities and evaluation of prior services, and evidence secured by the board; and,

(5) ability to relate the physical, psychological, spiritual, emotional, and social needs of ill and/or aged individuals to the administration of a nursing home, including executives of the nursing home; and, to create the compassionate climate necessary to meet the needs of the patients therein.

d. The following shall be considered as guidelines for the purpose of determining qualification under paragraph c, (4) and (5) hereof:

(1) On applicants currently in the field or to be waivered, the board shall obtain letters of satisfactory performance covering at least the calendar year preceding the date of application: from employers, including governing boards of institutions: nursing home licensure agency; or the agency administering Title XIX, and/or appropriate professional societies.

(2) The board shall obtain satisfactory letters of performance regarding new applicants to the field from prior employers and/or evaluation of performance of the individual as an "administrator-in-training."

e. The basic requirements for suitability set forth herein are to be considered minimal and may not be waivered.

f. The applicant shall attach to his application a finished unmounted photograph of himself which shall not be less than two and one-half inches nor more than three inches square, which photograph shall have been taken within three months prior to the date of such application.

g. The board may designate a time and place at which an applicant may be required to present himself for inquiry as to his suitability as provided for herein.

**RULE 9. CONDITIONAL ADMISSION TO EXAMINATION; DISQUALIFICATION; RE-EXAMINATION**

a. The board may conditionally admit to examination for license as a nursing home administrator an applicant who on the date of a scheduled examination has not fully established his qualifications, if, in the judgment of the board, it appears that he is otherwise qualified. Unless such applicant submits satisfactory evidence that he qualifies for examination within thirty days following the date of such examination, the board shall notify the applicant that he is not qualified for licensure.

b. An applicant for examination who has been disqualified shall be given written notification by the board of his disqualification and the reasons therefore and of his right to a hearing.

c. An applicant for examination who has been disqualified may petition the board in writing within thirty days of notification or disqualification for a hearing and a review of his application.

d. Where an applicant for examination has been disqualified, he may submit a new application for qualification for examination, provided however that he shall be required to meet the requirements for licensing as shall be in force at the time of such re-application.

**RULE 10. SUBJECTS FOR EXAMINATION**

a. Every applicant for a license as a nursing home administrator, after meeting the requirements for qualification for examination as set forth in Rule 7 of these rules and regulations, shall successfully pass a written and/or oral examination which shall include, but need not be limited to the following subjects:

- (1) applicable standards of environmental health and safety
- (2) local health and safety regulations
- (3) general administration
- (4) psychology of patient care
- (5) principles of medical care
- (6) personal and social care
- (7) therapeutic and supportive care and services in long-term care
- (8) departmental organization and management
- (9) community inter-relationships

b. The following shall be considered as guidelines with respect to the subjects for the written and/or oral examination required in paragraph a. herein:

- (1) Applicable standards of environmental health and safety:
  - (a) Hygiene and sanitation
  - (b) Communicable diseases
  - (c) Management of isolation
  - (d) The total environment (noise, color, orientation, stimulation, temperature, lighting, air circulation)
  - (e) Elements of accident prevention
  - (f) Special architectural needs of nursing home patients
  - (g) Drug handling and control
  - (h) Safety factors in oxygen usage

- (2) Local health and safety regulations: (a) No guidelines required.  
Local option.
- (3) General administration  
 (a) Institutional administration  
 (b) Planning, organizing, directing, controlling, staffing, coordinating, and budgeting  
 (c) Human relations  
   (1) Management/employee inter-relationships  
   (2) Employee/employee inter-relationships  
   (3) Employee/patient inter-relationships  
   (4) Employee/family inter-relationships  
 (d) Training of personnel  
   (1) Training of employees to become sensitive to patient needs  
   (2) On-going in-service training/education
- (4) Psychology of patient care  
 (a) Anxiety  
 (b) Depression  
 (c) Drugs, alcohol, and their effect  
 (d) Motivation  
 (e) Separation reaction
- (5) Principles of medical care :  
 (a) Anatomy and physiology  
 (b) Psychology  
 (c) Disease recognition  
 (d) Disease processes  
 (e) Nutrition  
 (f) Aging processes  
 (g) Medical terminology  
 (h) Materia Medica  
 (i) Medical Social Service  
 (j) Utilization review  
 (k) Professional and medical ethics
- (6) Personal and social care  
 (a) Resident and patient care planning  
 (b) Activity programming  
   (1) Patient participation  
   (2) Recreation  
 (c) Environmental adjustment: (1) Inter-relationships between patient and:  
   (a) Patient  
   (b) Staff (staff sensitivity to patient needs as a therapeutic function)  
   (c) Family and friends  
   (d) Administrator  
   (e) Management (self-government/patient council)  
 (d) Rehabilitation and restorative activities  
   (1) Training in activities of daily living  
   (2) Techniques of group therapy  
 (e) Interdisciplinary interpretation of patient care to :  
   (1) The patient  
   (2) The staff  
   (3) The family
- (7) Therapeutic and supportive care and services in long-term care  
 (a) Individual care planning as it embraces all therapeutic care and supportive services  
 (b) Meaningful observations of patient behavior as related to total patient care  
 (c) Inter-disciplinary evaluation and revision of patient care plans and procedures  
 (d) Unique aspects and requirements of geriatric patient care  
 (e) Professional staff inter-relationships with patient's physician  
 (f) Professional ethics and conduct  
 (g) Rehabilitative and remotivational role of individual therapeutic and supportive services  
 (h) Psychological, social, and religious needs, in addition to physical needs of patient

- (8) Departmental organization and management
  - (a) Criteria for coordinating establishment of departmental and unit objectives
  - (b) Reporting and accountability of individual departments to administrator
  - (c) Criteria for departmental evaluation (nursing, food service, therapeutic services, maintenance, housekeeping)
  - (d) Techniques of providing adequate professional, therapeutic, supportive, and administrative services
  - (e) The following departments may be used in relating matters of organization and management :
    - (1) nursing
    - (2) housekeeping
    - (3) dietary
    - (4) laundry
    - (5) pharmacy
    - (6) social service
    - (7) business office
    - (8) recreation
    - (9) medical records
    - (10) admitting
    - (11) physical therapy
    - (12) occupational therapy
    - (13) medical services
    - (14) laboratories
    - (15) x-ray
    - (16) maintenance
- (9) Community inter-relationships
  - (a) Community medical care, rehabilitative and social services resources
  - (b) Other community resources
    - (1) Religious institutions
    - (2) Schools
    - (3) Service agencies
    - (4) Government agencies
  - (c) Third party payment organizations
  - (d) Comprehensive health planning agencies
  - (e) Volunteers and auxiliaries

c. Nothing contained in this rule shall preclude the board from providing for an examination which excludes subjects for examination which shall be in derogation of, or in conflict with the teachings and practice of any recognized religious faith; provided however any applicant seeking to be entitled to such examination hereunder shall submit evidence satisfactory to the board that he is in fact an adherent of such recognized religious faith.<sup>1</sup>

#### RULE 11. GRADING EXAMINATIONS

a. Every candidate for a nursing home administrator's license shall be required to pass the examination for such licenses with a grade of at least 75 percent.

b. Gradings need not represent arithmetic percentages, but may, in the board's discretion, be higher than percentage ratings and may be computed on the basis of either an arithmetic addition of a certain number of points to the percentage rating of each candidate, or an arithmetic adjustment of deductions for errors or of credits for correct answers obtained by each candidate.

c. The board shall determine a method of grading each section of the examination separately, and shall apply such method uniformly to all candidates taking that examination.

d. The board shall not disclose the percentage ratings of candidates by individual identity to any of its officers or employees responsible for determining the final grading of an examination until such determination has been made.

e. If an oral examination is used, totally or as part of the examination process, the board, or the examiners designated for such purpose, shall use as a basis for such oral examination, a written prepared outline of subject matter based upon or similar to the requirements of Rule 10, paragraph b. The board shall designate weighted values to the subject matter for such oral examination.

<sup>1</sup> Note : To be considered in accordance with individual State law.

**RULE 12. REGISTRATION OF INSTITUTIONS AND COURSES OF STUDY**

Any courses of study offered by an educational institution, association, professional society, or organization for the purpose of qualifying applicants for licensure as nursing home administrators and for registration of licenses shall first be registered with the board on forms provided therefor by the board.

**RULE 13. APPROVAL OF PROGRAMS OF STUDY**

a. Programs of study in accredited educational institutions. A program of study designed to train and qualify applicants for licensure as nursing home administrators as required by the State licensing statute and these rules and regulations offered by any accredited university or college shall be deemed acceptable and approved for such purpose, provided however that

(1) such program shall have been registered with the board as required by Rule 12 of these rules and regulations; and,

(2) such program shall include the following general subject areas or their equivalents:

- (a) Applicable standards of environmental health and safety
- (b) Local health and safety regulations
- (c) General administration
- (d) Psychology of patient care
- (e) Principles of medical care
- (f) Personal and social care
- (g) Therapeutic and supportive care and services in long-term care
- (h) Departmental organization and management
- (i) Community inter-relationships; and,

(3) such program shall meet the academic requirements of the college or university for awarding of academic credit; or, such program is within the jurisdiction of an academic department of an accredited university or college and does not offer academic credit.

b. Jointly sponsored programs of study—Any program offered by an educational institution except as provided under paragraph a of this rule, or association, professional society, or organization other than an accredited college or university, shall be approved by the board, provided however,

(1) such program shall have been registered with the board as required by Rule 12 of these rules and regulations; and,

(2) such program shall include the following general subject areas or their equivalents:

- (a) Applicable standards of environmental health and safety
- (b) Local health and safety regulations
- (c) General administration
- (d) Psychology of patient care
- (e) Principles of medical care
- (f) Personal and social care
- (g) Therapeutic and supportive care and services in long-term care
- (h) Departmental organization and management
- (i) Community inter-relationships; and,

(3) shall be jointly sponsored with an accredited university or college; and

(4) before approval by the board, announcement and/or publication, the proposed program together with the faculty assignments shall be submitted to the board, at least six months prior to anticipated registration of students.

c. Continuing education programs of study—A program of study designed to meet the requirements and the qualifications for registration of a license as nursing home administrator under and pursuant to the State licensing statute and these rules and regulations shall:

(1) be registered as required under Rule 12 of these rules and regulations; and

(2) contain a minimum of 15 classroom hours of academic work; and

(3) include subject areas selected from the list of subjects provided for in paragraph a and b of this rule; and

(4) be submitted to the board for approval prior to announcement and/or publication, at least six months prior to the anticipated registration of students.

d. Upon completion of an approved program of study, the sponsor or sponsors of the program shall issue certificates of attendance or other evidence of attendance satisfactory to the board.

e. Nothing contained in this rule shall preclude the board from providing for any program of study which excludes subjects which shall be in derogation of, or in conflict with the teachings and practice of any recognized religious faith; provided, however, any applicant seeking to be entitled to be admitted to such program of study hereunder shall submit evidence satisfactory to the board that he is in fact an adherent of such recognized religious faith.<sup>1</sup>

**RULE 14. CERTIFICATION OF PROGRAM OF STUDY FOR FEDERAL FINANCIAL PARTICIPATION AS PROVIDED UNDER SECTION 1908 OF THE UNITED STATES SOCIAL SECURITY ACT**

Programs of study will be certified by the board in a manner consistent with the requirements of the Federal Government in order to qualify for Federal financial participation.

**RULE 15. PRACTICAL TRAINING AND EXPERIENCE**

a. Every candidate for license as a nursing home administrator upon entering nursing home administrator-in-training internship for the purpose of obtaining practical training and experience as required by the provisions of the State licensing statute and these rules and regulations, shall register with the board within two weeks from the date of the beginning of such internship on a form prescribed by the board.

b. No application for registration as a nursing home administrator-in-training shall be approved unless such application is accompanied by the following:

(1) a birth certificate or a satisfactory baptismal or census record or naturalization papers as to proof of age;

(2) evidence satisfactory to the board that such applicant is a citizen of the United States or has declared his intention of becoming such citizen at the time of filing such application; \*

c. An application for registration as a nursing home administrator-in-training until January 1, 1975 shall not be approved unless the applicant submits evidence satisfactory to the board,

(1) that such training will be under the full-time supervision of a nursing home administrator;

(2) that such training is likely to be of a grade and character satisfactory to the board;

(3) that such training is to be obtained in a duly authorized nursing home having authorized bed capacity of not less than fifty (50) beds;

(4) that such training is to be served during eight consecutive hours daily, except for regular days off, between the hours of 7:00 a.m. and 10:00 p.m. with a minimum of 40 hours weekly in steady, bona fide, full-time employment;

(5) that the trainee agreement form provided by the board be signed by the nursing home administrator-in-training and the supervising nursing home administrator and submitted to the board for approval;

(6) that the nursing-home-administrator-in-training has no outside employment during training hours or thereafter unless such employment is known to, and approved by the board; and

(7) that alternating and rotating shifts of eight working hours may be approved by the board as being acceptable upon request, provided that at least fifty per cent of the training hours will be served between the hours of 7:00 a.m. and 10:00 p.m. in regular, steady full-time employment under the personal supervision of a nursing home administrator at the nursing home in which the nursing home administrator-in-training is employed.

d. The application for registration as a nursing home administrator-in-training shall be approved if the internship is to be served in a nursing home administered by a nursing home administrator:

(1) who has been approved for preceptorial training by the American College of Nursing Home Administrators or the American College of Hospital Administrators; or

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<sup>1</sup> Note : To be considered in accordance with individual State law.  
\*Note : As may be required by State law.

(2) who has been appointed as a preceptor for internship by an approved college or university program or other appropriate professional organizations, as provided in Rule 13(a) of these rules and regulations; provided that such training meets the requirements of items (1) through (7) of paragraph c. hereof.

e. (1) Every nursing home administrator-in-training shall file quarterly detailed reports with the board on forms provided by the board and shall set forth an accurate record of the duties performed by him during the period covered by such report.

(2) Every report filed by the nursing home administrator-in-training shall be signed by the nursing home administrator of the place of internship.

(3) If a nursing home administrator-in-training fails to file reports for a period of two years from the date of registration as such trainee or for a period of two years from the date of the filing of last report, such trainee shall be deemed to have abandoned his practical training and experience, in the event that he shall thereafter seek to qualify for a nursing home administrator license, he shall be considered a new applicant therefore, and shall be required to register as such new applicant and meet the requirements for qualifications for training, examination, and license as may exist at the time as such new registration.

f. A nursing home administrator-in-training may be allowed two week's leave for compulsory military training, vacation and sick leave each year without loss of credit for his required practical training and experience.

g. Discontinuance of internship as a nursing home administrator-in-training in the nursing home from which he is registered shall be reported to the board by the nursing home administrator and the trainees within ten days after such discontinuance.

h. Change of supervision of the nursing home administrator-in-training in any nursing home shall be reported to the board in writing by the employer and the trainee within ten days after the change of such supervision.

i. Practical training and experience satisfactory to the board shall include, assisting with the administrative activities of the nursing home, consistent with recognized preceptorial guidelines published by accredited universities and professional societies.

j. In the event that a nursing home administrator shall be found by the board to have been guilty of failing to provide the nursing home administrator-in-training an opportunity to adequately and generally train himself under proper supervision in the administrative and operating activities and functions of the nursing home, such nursing home administrator may be deprived of nursing home administrators-in-training for such period of time as shall be prescribed by the board.

k. Any person who was a duly registered nursing home administrator-in-training whose training and experience shall have been interrupted by service in the armed forces of the United States, shall be permitted to resume his training and experience at any time within one year after the date of his discharge from active service.

l. The requirement for internship as administrator-in-training herein provided for shall not apply to any person who has completed a course of study for a master's degree in nursing home administration or in a related health administration field and who has been awarded such degree from an accredited institution of higher learning.

#### RULE 16. LICENSES

a. An applicant for a license as a nursing home administrator who has successfully complied with the requirements of the licensing laws and the standards provided for herein; passed the examination provided for by the board; and where applicable compiled with the requirements for nursing home administrator-in-training shall be issued a license on a form provided for that purpose by the board, certifying that such applicant has met the requirements of the laws, rules, and regulations entitling him to serve, act, practice, and otherwise hold himself out as a duly licensed nursing home administrator.

b. The board may issue a provisional license to any individual applying therefor who:

(1) has served as a nursing home administrator during all of the calendar year immediately preceding (insert date), and

(2) meets the standards relating to good character, suitability, age, and citizenship.

c. A provisional license shall terminate after two years or at midnight, June 30, 1972, whichever is earlier, and shall be cancelled and be of no legal force or effect thereafter; provided however that if, prior to the expiration of such provisional license, such provisional nursing home administrator shall have passed a qualifying examination as required by the board, a nursing home administrator license shall be issued to him.

d. A provisional license or extension thereof may not be issued to any person after June 30, 1972. Any license issued by the board shall be under the hand and seal of the chairman and secretary of the board.

e. If the board issues a provisional license to any individual under the provisions of subdivision b. of this section, there shall be provided by the State during all of the period for which such provisional license remains in effect a program of training and instruction designed to enable all provisional nursing home administrators to attain the educational qualifications necessary to assist such applicant to qualify for licensure as a nursing home administrator.

f. If the board finds that programs of training and instruction conducted within the State are not sufficient in number or content to enable nursing home administrators to meet requirements established by law and these rules, it may institute and conduct or arrange with others to conduct one or more such programs, and shall make provision for their accessibility to residents of this State. The board may approve programs conducted within and without this State as sufficient to meet education and training requirements established by law and these rules. For the purposes of this sub-division the board shall have the authority to receive funds in a manner consistent with the requirements of the Federal Government in order for the courses to qualify for Federal financial participation.

g. An applicant to whom a provisional license has been issued shall surrender such license to the board upon expiration thereof or upon issuance of a permanent license, or submit satisfactory affidavit to the board setting forth the reasons why such license is not surrendered. The board may not issue a license to an applicant who has not complied with such requirement.

#### RULE 17. REGISTRATION OF LICENSES

a. Every person who holds a valid license as a nursing home administrator issued by the board shall immediately upon issuance thereof be deemed registered with the board and be issued a certificate of registration. Thereafter, such individual shall biennially apply to the board for a new certificate of registration and report any facts requested by the board on forms provided for such purpose.

b. Upon making an application for a new certificate of registration such licensee shall pay a biennial registration fee of \_\_\_\_\_ dollars, and, at the same time, shall submit evidence satisfactory to the board that during the biennial period immediately preceding such application for registration he has attended a continuation education program or course of study as provided in Rule 13, paragraph c. of these rules and regulations.

c. Upon receipt of such application for registration, the registration fee and the evidence required with respect to continuing education, the board shall issue a certificate of registration to such nursing home administrator.

d. The license of a nursing home administrator who fails to comply with the provisions of this section, and who continues to practice as a nursing home administrator, may be suspended or revoked by the board.

e. A nursing home administrator who has been duly licensed and registered in this State whose license shall not have been revoked or suspended, and whose registration has expired because he shall have temporarily abandoned the practice of nursing home administration, or shall have removed from the State, or for such other reason, may register within the State upon complying with the provisions of this section for registration, and also, filing with the board his affidavit of such facts.

f. Only an individual who has qualified as a licensed and registered nursing home administrator and who holds a valid current registration certificate pursuant to the provisions of these rules for the current biennial registration period, shall have the right and the privilege of using the title "Nursing Home Administrator", and have the right and the privilege of using the abbreviation "N.H.A." after his name. No other person shall use or shall be designated by such title or such abbreviation or any other words, letters, sign, card, or device tending to, or intended to indicate that such person is a licensed and registered nursing home administrator.

g. The board shall maintain a register of all applications for licensing and registration of nursing home administrators, which register shall show: the place or residence, name of each applicant; the name and address of current employer or business connection of each applicant; the date of application; complete information of educational and experience qualifications; date; the serial number of the license and of registration certificates issued to the applicant; the date on which the board reviewed and acted upon the application; and the board shall maintain a complete file of such other pertinent information as may be deemed necessary.

#### RULE 18. REFUSAL, SUSPENSION, AND REVOCATION OF LICENSES

a. The board may suspend, revoke, or refuse to issue a license or certificate of registration for nursing home administrator, nursing home administrator-in-training, or a provisional license; or may reprimand or otherwise discipline a licensee, nursing home administrator-in-training, or provisional licensee, after due notice and an opportunity to be heard at a formal hearing, upon substantial evidence that such applicant for license or registration, or such nursing home administrator, or nursing home administrator-in-training:

- (1) has violated any of the provisions of the law pertaining to the licensing of nursing home administrators or the rules and regulations of the board pertaining thereto;
- (2) has willfully or repeatedly violated any of the provisions of the law, code, rules, or regulations of the licensing or supervising authority or agency of the State or political subdivision thereof having jurisdiction of the operation and licensing of nursing homes;
- (3) has been convicted of a crime;
- (4) has practiced fraud, deceit, or misrepresentation in securing or procuring a nursing home administrator license;
- (5) is incompetent to engage in the practice of nursing home administration or to act as a nursing home administrator;
- (6) has practiced fraud, deceit, or misrepresentation in his capacity as a nursing home administrator;
- (7) has committed acts of misconduct in the operation of a nursing home under his jurisdiction;
- (8) is a habitual drunkard;
- (9) is addicted or dependent upon the use of morphine, opium, cocaine, or other drugs recognized as resulting in an abnormal effect;
- (10) has practiced without biennial registration;
- (11) has wrongfully transferred or surrendered possession, either temporarily or permanently, his license or certificate to any other person;
- (12) has paid, given, has caused to be paid or given or offered to pay or to give to any person a commission or other valuable consideration for the solicitation or procurement, either directly or indirectly of nursing home patronage;
- (13) has been guilty of fraudulent, misleading, or deceptive advertising;
- (14) has falsely impersonated another licensee of a like or different name;
- (15) has failed to exercise true regard for the safety, health and life of the patient;
- (16) has wilfully permitted unauthorized disclosure of information relating to a patient or his records; or
- (17) has discriminated in respect to patients, employees, or staff on account of race, religion, color, or national origin.

b. A person convicted of a felony shall forfeit his license and registration as a nursing home administrator or nursing home administrator-in-training, and upon presentation to the board of a certified copy of a court record showing that he has been convicted of a felony, that fact shall be noted on the record of license, and the license shall be revoked, and the registration shall be cancelled.

c. The conviction of a felony shall include the conviction of a felony by any court of the United States or by any court of any other State of the United States.

**NOTE.**—States may define 'crime' to include felonies and misdemeanors exclusive of traffic violations and 'offenses' such as health offenses not recognized as crimes.

#### RULE 19. COMPLAINTS AND HEARING PROCEDURES

a. (1) Any person, public officer, or association, or the board may prefer charges against any licensee, administrator-in-training, or provisional licensee for due cause.

(2) Such charges shall be in writing and shall be submitted to the board.

b. (1) The board, or any person or persons appointed by it for the said purpose, may hold a preliminary hearing to determine whether a formal hearing on the charges is necessary.

(2) The board may dismiss the charges and take no action thereon, by formal hearing or otherwise, in which event the charges and the order dismissing the charges shall be filed with the board.

c. (1) If the board or the person or persons thus appointed by it decide that the charges shall be heard, the board shall designate a hearing officer to determine the charges and set a time and place for a hearing.

(2) A copy of the charges, together with notice of the time and place of the hearing, shall be served on the accused at least ten days before the date fixed for the hearing.

(3) Where personal service cannot be effected and such fact is certified on oath by any person duly authorized to make legal service, the board shall cause to be published twice in each of the two successive weeks, a notice of the hearing in a newspaper published in the county in which the accused was last known to practice, and on or before the date of the first publication a copy of the charges and of such notice shall be mailed to the accused at his last known address.

(4) When publication of the notice is necessary, the date of the hearing shall be not less than ten days after the last day of publication of the notice.

d. (1) Upon the conclusion of the hearing, the board may revoke the license of the accused, or suspend such license for a fixed period, or reprimand, or take such other disciplinary action, or dismiss the charges.

(2) An order or suspension made by the board may contain such provisions as to reinstatement of the license as the board shall direct.

(3) The board, in its discretion, may direct a rehearing or take additional evidence, and may rescind or affirm the prior determination after such rehearing, but nothing in this subdivision shall preclude appropriate relief under and pursuant to the laws of the State providing for the review of administrative determination by the courts of the State.

**NOTE.**—This suggested hearing procedure may be amended depending upon whether the individual State has an administrative procedure statute or other statutory provision governing such hearings.

#### RULE 20. CONDUCT OF HEARINGS

a. At any hearing conducted pursuant to those rules, any party to the proceedings may appear personally and with counsel and shall be given the opportunity to produce evidence and witnesses and to cross-examine witnesses.

b. At any formal hearing conducted pursuant to these rules, if a party shall appear without counsel, the board or person(s) designated as hearing officers or hearing officer shall advise such party of his right to be represented by counsel; and that if he desires to proceed without counsel, that he may call witnesses, cross-examine witnesses, and produce evidence in his behalf.

c. Appearances shall be noted on the official record of hearings.

d. The board or designated hearing officer may grant adjournments upon request of any party to the proceedings, provided that an adjournment shall not be for an indefinite period of time, but shall be set down for a day certain. shall be submitted to the board in writing, and shall specify the reason for such

e. If an adjournment is requested in advance of the hearing date, such request request.

f. In considering an application for adjournment of a hearing the board or hearing officer shall consider whether the purpose of the hearing will be affected or defeated by the granting of such adjournment.

g. The board or designated hearing officer shall issue subpoenas and subpoena duces tecum upon request of any party to the proceedings of any hearing set down by the board.

h. The board or hearing officer shall not be bound by the rules of evidence in the conduct of a hearing, but the determination and recommendations of the hearing officer shall be founded upon sufficient legal evidence to sustain it.

i. Upon the conclusion of a hearing, the board shall take such action upon such written findings and determinations as it deems proper, and shall execute an order in writing carrying such findings and determination into effect.

j. The order of the board may include the assessment of civil penalties as provided by law.

k. The record, minutes, and evidence of a formal hearing shall be made available to all parties for examination at the office of the board, or at such place

as the board may direct. Copies of the minutes may be purchased at the rate per page covering the cost thereof.

NOTE.—This procedure may have to be fitted into the procedures of the individual States.

#### RULE 21. RECIPROCITY

a. The board, in its discretion, and otherwise subject to the law pertaining to the licensing of nursing home administrators prescribing the qualifications for a nursing home administrator license, may endorse, without examination, a nursing home administrator license issued by the proper authorities of any other State, upon payment of a fee of \_\_\_\_\_ dollars, and upon submission of evidence satisfactory to the board:

(1) that such other State maintains a system and standard of qualification and examination for a nursing home administrator license, which are substantially equivalent to those required in this State;

(2) that such other State gives similar recognition and endorsement to nursing home administrator licenses of this State; and

(3) that such applicant for endorsement is familiar with State and local health and safety regulations related to nursing homes; and

(4) that such applicant for endorsement holds a valid license as a nursing home administrator which has not been revoked or suspended as such in each State from which he has ever received a nursing home administrator license or reciprocal endorsement.

b. The board shall also have power, and after due notice and an opportunity to be heard at a formal hearing, to revoke or suspend the endorsement of a nursing home administrator license issued to any person upon evidence satisfactory to the board that the duly constituted authorities of any State have lawfully revoked or suspended the nursing home administrator license issued to such person by such State.

c. The action of the board is revoking or suspending such license or registration shall be reviewable by the court under and pursuant to the provisions of law provided for in such cases.

#### RULE 22. RESTORATION AND REINSTATEMENT OF LICENSES

a. A license may be restored after a period of two years after revocation by the board in its discretion upon submission of evidence satisfactory to the board that the applicant for such restoration of license has removed the disability. The requirements of Rule 8, paragraph b (2) and (3) shall be applicable to applicants for license who have been convicted of a crime.

b. Upon such application for restoration of a license, the board, in its discretion may grant the applicant a formal hearing upon notice.

c. If a conviction be subsequently reversed on appeal and the accused acquitted or discharged, his license shall become again operative from the date of such acquittal or discharge.

#### RULE 23. DISPLAY OF LICENSES AND REGISTRATION CERTIFICATES

Every person licensed as a nursing home administrator shall display such license and certificate of biennial registration, in a conspicuous place in the office or place of business or employment of such licensee.

#### RULE 24. DUPLICATE LICENSES

Upon receipt of satisfactory evidence that a license or certificate of registration has been lost, mutilated, or destroyed the board may issue a duplicate license or certificate upon such conditions as the board may prescribe, and upon payment of a fee of \_\_\_\_\_ dollars.

#### RULE 25. APPLICABILITY, LEGAL EFFECT, SEPARABILITY

a. The rules and regulations of the board shall be supplemental to the law providing for the licensing of nursing home administrators and shall have the force and effect of law.

b. Every rule, regulation, order, and direction adopted by the board shall state the date on which it takes effect and a copy thereof signed by the chairman of the board and the secretary of the board shall be filed as a public record in the office of the board and as may be required by law.

c. The rules and regulations of the board are intended to be consistent with the applicable Federal and State law and shall be construed, whenever necessary, to achieve such consistency.

d. In the event that any provision of these rules and regulations is declared unconstitutional or invalid, or the application thereof to any person or circumstance is held invalid, the applicability of such provision to other persons and circumstances and the constitutionality or validity of every other provision of these rules and regulations shall not be affected thereby.

e. These rules and regulations shall not affect pending actions or proceedings, civil or criminal, but the same may be prosecuted or defended in the same manner and with the same effect as though these rules and regulations had not been promulgated.

f. The board shall furnish certified copies of these rules and regulations and amendments thereof for a fee of ----- dollars.

g. Amendments to these rules and regulations of the board shall be made only at a regularly called meeting thereof, by a majority vote of all members of the board. No amendment shall be acted upon unless said amendment was presented at a prior meeting and unless notice has been given to the members of the board and the members of the advisory council that said amendment is to be acted upon at a particular meeting of the board.

h. In addition to the above, the rules of parliamentary procedure as laid down in "Roberts' Rules of Order, Revised" shall govern all meetings of the board.

i. These rules and regulations shall take effect the ----- day of -----, 1969.

**NOTE.—The provisions of this Rule to be in conformance with individual State requirements.**

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**THE FOLLOWING QUESTIONS WERE DIRECTED TO MR. ROBERT J. MYERS, CHIEF ACTUARY, SOCIAL SECURITY ADMINISTRATION**

**QUESTION 1**

*One of the major problems with the Medicaid program is the great difficulty we have had with cost estimates under the program. They seemed to be always substantially too low. You were on some sort of task force established by Secretary Cohen to look into this matter. Would you submit for the record what this group recommended, what your role was, and what has been done about the recommendations?*

**ANSWER**

The Task Force referred to was the State-Federal Task Force on Costs of Medical Assistance and Public Assistance, which was appointed by former Secretary Cohen on March 22, 1968 and which reported on October 14, 1968.

This Task Force made a number of recommendations, which can be summarized in the following manner. First, Federal budget estimates for both Medicaid and Public Assistance should be founded on estimates prepared by each of the states. Second, simplification should be made in statistical reporting requirements of the states. Third, statistics as to the Medicaid program should be made available and analyzed on an accrual basis, rather than on a cash basis, so as to result in more adequate appraisal of the operations of this program. Fourth, more information should be obtained as to the size and characteristics of the total population eligible for Medicaid benefits, including those not actually receiving such benefits.

Very considerable progress has been made as to the first type of recommendation, since currently Federal budget figures are being largely guided by these data, which are being routinely submitted by the states. The other recommendations are still being worked on in regard to their implementation, although certain serious difficulties are present in regard to obtaining accrual figures and in regard to defining and estimating the so-called "population at risk" under the Medicaid program.

As to my role on the Task Force, I was originally named to be a member and functioned as such throughout its several meetings. However, at the time the final report was being put together, I was removed from the Task Force by its Chairman, James F. Kelly, Assistant Secretary, Comptroller—with the agreement of Secretary Cohen—because I insisted on filing a minority statement on one matter. The final report credited me as being a special consultant to the Task Force.

For purposes of the record, I am setting forth herewith the minority statement that I insisted on making:

"One member of the Task Force believes that, in view of the considerably increased accuracy of the cost estimates for Public Assistance and Medicaid that will be possible in the future when the recommendations of the Task Force will have been put into effect—at a sizeable expenditure of funds and manpower—the Federal estimates for the budget as developed by the professional staff of the Social and Rehabilitation Service should be modified in the budgetary process only when such modifications are made for reasons of revised assumptions. Under the latter circumstances, the budget officials should consult with the professional estimators to determine whether the revised assumptions seem reasonable and acceptable to them; if not, the Budget Document should contain an explanation as to why the modifications were made, and the original estimate should either be included in the Budget Document or should be available as a matter of public record.

"This member is optimistic that, with the expenditure of funds and manpower on the recommended steps to bring about improvements in reporting and estimating the cost of Medicaid and Public Assistance, the estimating will be improved to such an extent that the estimates are not likely to be so modified. Otherwise, there would be serious question as to whether such expenditures would be worth making."

#### QUESTION 2

*One of the major problems since we enacted the 1965 Amendments has been Medicaid. Its costs have been skyrocketing, far above any estimates. I recall that one of our first indications of trouble was in connection with the New York plan. Nobody here in Washington had seemed to realize that New York had an extensive plan in operation when we passed Medicaid in 1965. Then, in late 1966, we considered what we had done, and there was much discussion of what would happen in New York and elsewhere. Then in 1967, we took action which we hoped would put some fiscal restraint into this program. Would you please submit a memorandum on the financial situation and experience under Medicaid?*

#### ANSWER

I should point out at the beginning that I have had only a limited responsibility in the Medicaid area, dating only from when the program was enacted in 1965. Specifically, in 1966 and later, I made certain overall estimates of the cost of this program and indicated the likelihood of sharply increasing costs unless "tightening up" legislation were enacted (which was done in part). Nonetheless, the actual experience has far outstripped the estimates that I made of rising costs. In part, this has been due to medical costs increasing more rapidly than I had assumed, and in part, it has been due to much more rapid expansion and utilization of these programs than I had thought possible. Also, the liberal eligibility requirements adopted by some States were beyond any reasonable expectations.

Still another problem with comparing various cost estimates for the Federal Government portion of the Medicaid program with the actual experience developing is that budgetary authorities and officials quite often reduce the cost estimates made by the professional staff involved in this field. The aim, of course, is to show a more favorable general budget position when the Budget is first presented to Congress, but then later, supplemental appropriations are required. As a specific example, for fiscal year 1967, the original estimate for all public assistance grants was \$3,946 million (it is not possible to separate this out as between cash payments and Medicaid, although the latter was a significant element in the experience). The Bureau of the Budget reduced this by \$200 million, and Congress took off another \$46 million, so the original appropriation was \$3,700 million. The actual expenditures, financed in part by a supplement appropriation, were \$4,259 million.

The experience has generally been that such supplementals have been needed both to offset the reduction in the estimates made by the professional staff and also because the actual experience has been well above such estimates.

Now, as to the actual experience that has occurred following the time that the 1967 Amendments were being considered, I had estimated that this legislation would greatly slow down the steadily increasing federal cost for the Medicaid program. Specifically, I had estimated that such cost would be \$1.4 billion in FY 1968, and would then increase to \$1.6 billion in FY 1969, remaining relatively level thereafter (actually, increasing to \$1.7 billion in FY 1972). The actual

experience, however, was considerably higher—and increasingly so. For FY 1968, the actual federal cost for Medicaid payments was \$1.6 billion (or 16% above the estimates), while for FY 1969, it was almost \$2.1 billion (or 31% above the estimate). For FY 1970, such cost will apparently be about \$2.7 billion, while for FY 1971, it may well be about \$3.2 billion (or almost double the estimates).

The significant understatement of my cost estimates apparently results from a number of factors, although adequate data are not available so that meaningful analysis of the underlying causes of the differences can be made (unlike the situation for the Medicare program, where quite good data, on an accrual basis, are now available). Among the reasons are such factors as the well-known sharp increases in hospital costs and physician fees, apparent higher utilization, and the existence of rather liberal plans in a number of states.

In connection with this brief review of the relationship between Medicaid experience and the early cost estimates, it is worthwhile examining the situation for New York state. As is indicated in the question, this state had a very extensive plan in operation when Medicaid was enacted in 1965, and the cost of this plan represents a very sizeable proportion of the total cost of the Medicaid program in the United States. As it will be recalled, I was asked by the Committee on Ways and Means to appraise the cost estimates for the Medical Assistance program in New York and submitted a memorandum of August 9, 1966 on this subject. Before I made my analysis, two different estimates of the cost of this program had been made. The Department of Social Welfare (N.Y.) estimated the cost of this program, as it stood at that time, at about \$500 million per year (including both state and federal expenditures) and believed that the maximum cost would be \$1.0 billion per year, which would be very unlikely to eventuate because not all persons eligible would surely claim all possible benefits.

On the other hand, an estimate was made by several insurance associations, amounting to about \$1.7 billion per year. My estimate fell within the range of these other two estimates—namely, a total cost of \$1.4 billion per year. The current actual-experience level of New York is interesting to examine—namely, benefit expenditures running at a level of about \$1.2 billion per year. Further, it should be noted that the level of Medicaid expenditures in New York would be even higher if it were not for the fact that the New York plan was significantly deliberalized in the last two years, probably to a considerable extent because of the federal legislation that was enacted in order to try to hold down the costs of the program.

In summary, I might say that my cost estimates for the Medicaid program that were made in connection with the 1967 Amendments were very significantly too low. It may, however, be noted that if it had not been for that legislation, the federal cost now and in the future would have been very much higher than they will be under existing law.

#### QUESTION 3

*Please supply an estimate of the cost reductions in Medicare which might come from the proposed changes in Medicare.*

#### ANSWER

This question inquires about how much money the proposed Health Cost Effectiveness Amendments of 1969 would reduce the cost of the Medicare program. My answer to this question is that no reliable estimate of any significant savings can be made at this time. There will be certain additional costs resulting from these amendments and also some savings. The real effect of these amendments will be felt over the long range and not particularly appreciably in the first few years. Probably, there will be some small net savings in FY 1971, but that will be of such a magnitude (only a few million dollars) that it does not seem appropriate to set down any specific figure, insofar as I am concerned, because of the inherent variability of the cost estimates anyhow.

#### QUESTION 4

*Under the proposed adult welfare program, the Federal government would pay 100 percent of the first \$50 of average payment and lesser proportions for higher amounts. If a state raised its standard high enough to cover mostly social security beneficiaries who would need only small payments to be brought up to the standard, the average assistance payment might very well turn out to be less than \$50. Thus, by raising the adult assistance standard a state might*

*get full Federal financing. Would you look into this and give us a memorandum for the record?*

ANSWER

It is quite correct that a state might have its adult public assistance programs financed entirely by the Federal government if it should liberalize its eligibility requirements considerably and should increase its cost standard to an appropriate level, and if at the same time, the vast majority of the public assistance recipients were also receiving Social Security benefits, so that the average assistance payment would turn out to be \$50 per month or less.

A numerical example may illustrate this situation better. No account is taken here of the fiscal-relief provision of requiring the state to spend at least 50% of base expenditures (which, after a 5-year period, will not be effective anyhow). Suppose that a high-income state that is operating under the combined approach of Title XVI now has 150,000 recipients at an average monthly payment of \$100 (not too different from the present situation in New York). At present, the Federal share (at 50%) is \$90 million per year. With the same number of recipients, the new formula would yield a Federal share of \$119 million per year.

Now, suppose that, at present, this state has very strict requirements about family responsibility, liens on the home, and other assets. These must be greatly liberalized under the proposal. As a result, many new recipients will be added with relatively small grants, on the average. Let us suppose that 50,000 recipients are added at an average of \$20 per month. Then, there would be 200,000 recipients at an average monthly payment of \$80. Accordingly, the new formula would result in a Federal share of \$147 million per year.

In the foregoing example, the state would have had a cost of \$90 million per year under the present basis, \$61 million per year under the new formula if the number of recipients had remained unchanged, but only \$45 million per year if the number of recipients increases as a result of the liberalizations in the standards required by the proposal. In fact, it is quite possible that there could be such an expansion of the assistance roll that there would be no state cost at all—and yet a greatly increased Federal cost. For example, if sufficient recipients were added so that the average payment fell to (or below) \$50, then the Federal government would pay the entire resulting increased total cost, and the state would pay nothing (instead of the reduced amount from the present shown by the foregoing example).

I am advised that the Administration may wish to modify the application of its financing formula to prevent this type of outcome.

U.S. DEPARTMENT OF LABOR,  
OFFICE OF THE SECRETARY,  
*Washington, November 24, 1969.*

Hon. WILBUR D. MILLS,  
*Chairman, Committee on Ways and Means,*  
*House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: Enclosed are replies to your questions of October 23, 1969 for insertion in the record of the Committee's current hearings on social security legislation.

Sincerely,

GEORGE P. SHULTZ,  
*Secretary of Labor.*

QUESTION 1

*Please describe in detail the administrative organization and system for administering the present WIN program, showing the usual contracting agencies and levels of decision making. Please show also what the system would be under the bill.*

ANSWER

The present WIN Program is administered through a Federal-State system with heavy emphasis on State planning and administration of operations. Funds for FY 1968 and 1969 were prorated by the Department of Labor among the various States generally on the basis of the relative size of the State's AFDC caseload. FY 1970 funds are being similarly prorated with past performance as an additional factor. The Department of Labor also designated political subdivisions in which significant numbers of AFDC recipients were located as areas where the program was mandatory for participating States. The inclusion of additional subdivisions is encouraged by the Department of Labor.

The State Employment Service Agency is responsible for drawing up a comprehensive plan and budget for the operation of the program. This is submitted to the Regional Manpower Administrator who reviews the plan to insure that it meets the WIN guidelines and the purposes of the legislation. This comprehensive plan and budget details the staffing pattern, location of operations, program level, costs, dates of operation, tentative allocation of funds for the various kinds of training to be provided under the program (i.e., basic education, institutional training, on-the-job training, etc.), and a general description of the planned program operation. Beginning in FY 1970, because of difficulty in obtaining an adequate number of referrals in many projects during FY 1969, a letter of agreement from the appropriate administratively responsible Welfare official indicating Welfare's commitment to make referrals at a level that would supply sufficient numbers of clients so that the projected WIN plan could be fulfilled is also requested as part of the State's comprehensive plan.

Once the State plan is approved and signed by the Regional Manpower Administrator the State administers its implementation. Staff is hired by the State under its' State merit system. Contracts for training are negotiated by the State Agency on the basis of need. The program in all participating States is operated through the State Employment Service, which is the prime sponsor. In some instances there are overall contracts with the State vocational educational agency, which in turn subcontracts for institutional training. In some other instances the contracting for some of the training is done on the local level, under State procedures. The decision making authority for each contract for training rests with the State through the Employment Service, but is subject to monitoring review by the Regional Manpower Administrator who may intervene as may be necessary concerning any specific contract.

If the Administration's Family Assistance Plan bill is passed by the Congress as submitted, administrative organization and contract decision making concerning its manpower aspects, insofar as the Department of Labor is concerned, will remain essentially as operative today. There will be important changes, however, in the interagency administrative relations which should improve effectiveness of the program. At present, the State Employment Services are able to provide manpower services only to those individuals referred by State Welfare agencies. There is great variation among the States as to the proportion of welfare caseloads referred. Under the FAA, the Federal Social Security Administration would in effect refer all recipient adults except those specifically excluded by the Act. Additionally, assuming enactment of the Administration's proposed Manpower Training Act of 1969, administration of the FAA manpower provisions will be enhanced by linking it into the comprehensive manpower services delivery system established by the MTA.

#### QUESTION 2

*Please supply a capsule view of the appropriation history of WIN for fiscal 1969—under the Johnson Administration, it was stated that only \$92 million would be funded on WIN in fiscal 1969 as opposed to the \$117.5 million appropriated. The Labor Department had requested the full appropriation for fiscal 1969 but the Bureau of the Budget imposed the \$92 million limit (\$22.6 million of which was for child care, leaving a \$25 million carry-over for fiscal 1970).*

*The Nixon Administration in its revised budget transmittal has estimated that the fiscal 1969 funding would be even further reduced to \$65 million and that there would be a \$49 million carry-over to fiscal 1970.*

*At the end of the fiscal year, how much had been funded for WIN in fiscal 1969 and how much was carried over to fiscal 1970?*

## ANSWER

## APPROPRIATION HISTORY OF WIN

[In millions of dollars]

	1968			1969		
	Total	DOL	HEW	Total	DOL	HEW
BOB request.....	\$40	\$35.0	\$5	\$135.0	\$100.0	\$35.0
BOB markup:						
Johnson.....	40	35.0	5	135.0	100.0	35.0
Nixon.....						
House allowance.....	10	9.0	1	135.0	100.0	35.0
Senate allowance.....	10	9.0	1	100.0	86.0	14.0
Final action/appropriation.....	10	9.0	1	117.5	100.0	17.5
Reprogramming:						
1. HEW October 1968.....					-5.1	+5.1
Revised appropriation.....				117.5	194.9	22.6
2. HEW April 1969.....					+10.6	-10.6
Revised appropriation (Nixon administra-tion).....				117.5	2105.5	12.0
Fiscal year 1969 actual DOL:						
Federal expenditures.....	6.5				22.5	
Estimated unpaid bills.....	2.5				23.7	
Total fiscal year 1969 costs.....	9.0				46.2	
Fiscal year 1969 carry forward to 1970.....					59.0	
Total obligations.....	9.0				105.2	
Reversion.....					.3	
Revised appropriation.....	9.0				105.5	

<sup>1</sup> Includes \$35,000,000 carry forward to fiscal year 1970.<sup>2</sup> Includes \$59,000,000 carry forward to fiscal year 1970.

## QUESTION 3

*Under the proposed revision of the WIN program, 90 percent Federal matching is provided but there is no provision in the bill which indicates who is responsible for supplying the other 10 percent. What do you believe is wrong with the provision in existing law which requires the Federal Government to withhold Federal public assistance moneys until the non-Federal share for WIN is supplied?*

## ANSWER

The manpower development plan under the Family Assistance Act is meant to be coherently and cohesively linked to the comprehensive manpower plan stated in the pending Manpower Training Act which also provides for 9-1 matching. It should be noted that it is training money that is being matched, and the question for each State to decide—how much to provide in matching funds—should not be blurred or confused with the entirely different question of Federal-State sharing of the costs of such categorical public assistance programs as Aid to the Blind, to the Aged, to the Permanently and Totally Disabled. The new FAA plan abolishes AFDC and replaces it with a basic, 100 percent Federal payment, supplemented by separate State payments in most States. Thus the present practice of lumping Federal contributions under AFDC, with State support in a grant-in-aid system administered by the States, would not be relevant. There would be no Federal grant-in-aid to the States for this client group to withhold. Furthermore, experience under WIN has demonstrated that the power to withhold such sums to build up a pool of money to provide the WIN match has not in fact been used. What has happened, however, is that some State legislatures have voted sums of money that turned out to be insufficient to fund all the WIN slots that the Department of Labor was prepared to allocate to them. Hundreds of training slots have thus been lost by such States as Mississippi, Alabama, Florida, South Carolina, although all complied with the law by voting some matching money. This hampered rational manpower planning. The States seem eager to help fund training of welfare recipients. Authority to withhold other forms of public assistance funds if they do not make a contribution to FAA training seems

both not necessary and prejudicial to the new program, in the sense that it might impede deployment of FAA training funds where the needs and opportunities are greatest and in a way closely linked to training opportunities under other parts of the manpower program.

#### QUESTION 4

*On page 11 of his testimony the Secretary of Labor says that WIN is growing steadily. How much has been the growth in the last three months since the requirement in the law went into effect on July 1, 1969, that a program must exist in all states?*

*Do we have WIN programs in every state? Please give the number of participants for each state that had a legal barrier to a WIN program before July 1, 1969?*

#### ANSWER

##### WIN CUMULATIVE ENROLLMENTS JUNE 30, 1969 TO SEPT. 30, 1969

Month	All States	States with legal	Other
		barriers prior to July 1, 1969	
June	80,607		80,607
July	86,200	835	85,365
August	91,912	1,178	90,734
September	97,899	1,851	96,048

Note.—There are WIN programs existing in 48 States and 4 jurisdictions (District of Columbia, Guam, Puerto Rico, and Virgin Islands). Of the remaining 2 States, New Hampshire removed its legal barrier in September 1969 and is currently developing an operational plan and budget. The Nevada State Legislature adjourned without removing the legal barrier and must now go through a hearing process with the Department of Health, Education, and Welfare to determine whether the State is in nonconformance with the social security legislation.

##### WIN PARTICIPANTS IN STATES HAVING LEGAL BARRIERS PRIOR TO JULY 1, 1969

State	July	August	September
Total (14).....	835	1,178	1,851
Arkansas.....	5	59	123
Delaware.....	20	37	58
Florida <sup>1</sup> .....			
Georgia.....	52	52	72
Idaho.....	77	144	242
Indiana <sup>1</sup> .....			
Minnesota.....	405	441	584
Nebraska.....			
New Mexico.....	58	75	120
North Carolina.....			39
Oklahoma.....			17
Oregon.....	218	370	573
South Carolina.....			
Texas <sup>1</sup> .....			23

<sup>1</sup> Inoperative as of Sept. 30, 1969.

#### QUESTION 5

*Under the WIN program, who determines the basic content of the training program in each jurisdiction, the State employment system or the Department of Labor? For instance, who says how much on-the-job training will be provided as opposed to institutional training?*

#### ANSWER

Under the WIN program the basic content of the training program in each jurisdiction is determined by the State employment service, as contract agents of the Department of Labor. While projections are made in the State's comprehensive plan and budget which is subject to review and approval by the Regional Manpower Administrators, there is complete flexibility for the State to contract only for that kind or amount of training that is actually needed for the persons who are referred to and enrolled in the WIN program. The Department of Labor sets

no quotas for particular kind of training as this would needlessly hamper the local agencies in putting together the kind of service packages their clients need. If basic education is needed the State may contract as needed. If institutional training, work experience, or on-the-job training is needed the State may contract for those components in the amount and time sequence as determined by the assessed needs of the participants enrolled.

In the specific case of on-the-job training, there has been a problem in creating a sufficient capability for this in the WIN program. States have found it difficult to negotiate contracts for just one or two trainees in the smaller firms. We are trying to expand the OJT capability in the WIN program. We are moving under Section 301(b) of the Manpower Development and Training Act to establish full scale OJT contracting capability in the State ES agencies. This should be reflected in increased OJT under the WIN program.

#### QUESTION 6

*Under existing law, the states are required to have three components in the WIN program, the third of which includes the establishment of special work projects. Why has this provision not been implemented even though the Congress provided that for fiscal 1969 the state and local share of wage payments could come wholly from Federal funds? Please describe in detail your efforts to get the states to implement this provision, including such items as the date that guidelines were provided the states, the number of Federal staff working on this aspect of the program, and the various problems which were encountered.*

#### ANSWER

In Fiscal Year 1969, the West Virginia ES Agency was the only ES Agency that instituted the Special Work Project component of the WIN Program. The factors which precluded other ES Agencies from implementing this component are as follows:

A. State laws in some States forbid the transfer of funds from one public agency to another public agency. This transfer of funds is necessary because the welfare agency must transfer funds to the ES Agency for the Special Work Project account from which the employer is reimbursed a portion of the wages he pays to the Special Work Project participants.

B. Special work projects were established as a component of the WIN Program to provide jobs for individuals for whom a job in the regular economy cannot be found at the time and for whom training may not be appropriate. The WIN Program, of course, provides for supportive services and training in order to enhance an individual's employability. As a result, during Fiscal Year 1969, the WIN enrollees have been either assessed as job ready or are participating in training. Therefore, the enrollees have not been in the program long enough for the ES Agencies to ascertain if some of the enrollees are appropriate for enrollment in Special Work Projects.

C. The formula for financing the Special Work Project account is very complex. The law does not provide for any WIN funds, except during Fiscal Year 1969, to be used as wage supplements to the employer. Therefore, the Special Work Project account must be self-supporting, otherwise any deficits in the account will have to be paid from other money sources within the State. It is quite understandable, then, that the ES and Welfare agencies want to establish fiscal safeguards to avoid incurring deficits in the Special Work Project account. Such establishment of procedures to transfer and to account for funds has been complex and time consuming.

D. The Special Work Project participant's assistance grant in many instances is not enough to keep the special work project account solvent. It is estimated that a minimum of 50 percent employer contribution to the participant's wages is needed for the account to balance. In the lower welfare paying states, the minimum employer's contribution would have to be approximately 80 percent. These figures do not include other employer costs for supervision and fringe benefits e.g. workmen's compensation, social security etc. As a result, employers are reluctant to hire these individuals. Conversely, the ES agencies are reluctant to place a person in a Special Work Project unless his assistance grant will support the special work project account. As a result, individuals appropriate for special work projects may not be placed because the assistance grant will not support the account.

E. The DHEW administrative decision to provide supplemental payments of assistance to the individual participating in a Special Work Project in an amount which, when added to his *net* earnings will equal the money payment he would have received for himself and his family if he were not in the project, plus 20 percent of his *gross* earnings from the Special Work Project has caused great concern among the welfare agencies. The supplemental payment and the cost child care can cost the welfare agency more money than if a person were not in a Special Work Project and had remained on AFDC or AFDC-UP assistance. These possible additional costs to the welfare agencies adds to the fiscal crisis already being experienced by the welfare agencies throughout the country.

F. It is anticipated that the majority of employers of Special Work Project participants will be public agencies. The public agencies within a State are experiencing a fiscal crisis which will hamper them employing people in Special Work Projects because there will not be sufficient funds to pay a portion of the wages and hire possible additional staff to supervise the participants in Special Work Projects.

G. The wages paid and the related supportive services, e.g., Child care, medical, surplus commodities, etc. to Special Work Project participants can be more than what they would receive if they were employed in a regular job or are involved in training. Therefore, efforts to place a person in another WIN component from a Special Work Project is seriously hampered because the individual would take a loss in income.

Some of the factors which inhibited the establishment of Special Work Projects will be alleviated for the following reasons:

1. In Fiscal Year 1970, all State laws forbidding transfer of funds between public agencies must be removed or the State welfare plan will not be approved by HEW.

2. The ES agencies will have worked with the individuals enrolled in the WIN Program long enough to make an assessment as to the number and types of individuals appropriate for Special Work Projects.

3. The ES agencies have been developing fiscal procedures to implement the Special Work Project account.

The remaining factors stated may still reduce the States' capability of establishing Special Work Projects in subsequent years.

The establishment of the Special Work Project component was developed and implemented the same as the other functions of the WIN programs, and is the administrative responsibility of all the WIN program staff. The development of the DOL guidelines were a result of a task force composed of National and Regional DOL/DHEW staff and State Employment Service and State Welfare agency staff. The DOL guidelines for Special Work Projects were issued December 17, 1968 and the DHEW guidelines were issued mid-September 1969. DOL national office staff has provided technical assistance to the Regional Manpower Administrator staff so that RMA staff can assist the state agencies in implementing this component. In addition, upon request of the RMA national office staff has provided on-site technical assistance to the state agencies. The FY 1970 budget instructions to the ES agencies requests the ES agencies to submit a plan for the implementing of Special Work Projects. The budget allocation to the ES agencies includes a portion of the training slots designated for Special Work Projects with the provision that any unused Special Work Projects slots must be used for Priority I or II slots. The budget instruction also suggested that the ES agencies should make an effort to have the other public agencies to include in their appropriation request funds for employing and supervising Special Work Project participants.

There are technical problems in Special Work Projects which can be alleviated with more operating experience. However, the financial problems as previously explained, will probably preclude Special Work Projects being a large component of the WIN program.

#### QUESTION 7

*Assistant Secretary Rostow stated that special work projects for those individuals not suitable for training or further training would not be abandoned. Would you describe in detail how this program will operate? For instance, will it be based on the concept of paying a wage as under existing law? How will it be financed? Will it use both public and private employers? How many people would it involve in its first year of operation? How, in specific detail, will it differ—content, method of financing, and administration—from the special work projects program provided by Congress in existing law?*

## ANSWER

Applying the concept of tailoring manpower services to fit each individual's needs and the development for each client of an employability plan, it is entirely probable that special work projects will be employed to help meet the manpower problems of some clients. For this reason the special work project concept will not be abandoned. It is clear that the program under the present formula has too many problems (see answer to question #6). Under the more flexible authority of the proposed FAA, will be able to try different approaches to implement the concept.

The extent to which this particular approach will be applied cannot now be projected, because of the limited experience with it. Sufficient experience with special work projects under the Work Incentive Program has not yet been recorded to provide a base for estimating the proportions of the welfare population for whom such projects are the most suitable, or indeed the only available remedial approach.

Inasmuch as efforts will be made to develop a variety of program designs to see what approaches work best for different types of clients, conclusive responses to the several questions cannot be given. Some clients may be placed in either public or private jobs, for which they will receive wages from the employer. These enrollments will be very comparable to the JOBS and PSC programs involving the "hire first and train later" principle, in both the private and public sectors. Funds appropriated to the Secretary of Labor under Section 436 of the proposed FAA would be utilized to reimburse such employers for the exceptional costs of employing and training the welfare client. Other clients may be employed in the provision of needed public services or improvements in much the same manner as in the Operation Mainstream program, with appropriated funds providing the bulk of the wages. The individual client's income derived from any such employment would be subject to the applicable disregard provided in the FAP payments schedule.

Administration probably will be through individual project contracts, entered into by the State Employment Service in behalf of the Secretary of Labor and the public or private employer, under which the welfare client would be employed and provided suitable training and development.

## QUESTION 8

*How does the number of welfare recipients actually participating in the WIN education and training program as of August 31, 1969 (41,258) compare with those persons in education and training under Work Experience and Community Work and Training Programs in January 1962?*

## ANSWER

As of August 31, 1969 there were 41,258 persons in 44 States and jurisdictions participating in a training, education, or job component of the Work Incentive Program. Another 22,469 were reported in holding status. This figure includes some persons who are undergoing assessment and employability plan development or job development as well as those who are waiting for an appropriate training station to be developed or become available.

The DHEW reports indicate that on January 31, 1967, approximately two years after Title V became effective, 61,365 were enrolled in work experience and training under Title V of the Economic Opportunity Act. The best information we can obtain from DHEW indicates that 15,300 were enrolled in the Community Work and Training Program, Title IV, Social Security Act, in May 1967. These enrollment figures do not indicate how many persons were actually participating in work experience or training on a full-time basis. The work experience component in Title V involved a period of work activity with no structured training plan, while WIN, under the mandate of the FLSA, as well as DOL policy, severely limits this type of activity. WIN, on the other hand revolves around an individual employability plan which precludes lengthy involvement of individuals in unstructured work situations.

The DOL WIN Handbook requires that enrollees considered for work experience shall:

- (a) Be in need of training in basic work habits.
- (b) Have potential necessary to get and maintain competitive employment.

(c) Be in need of exposure to, or additional work experience in, different occupational areas before specialized training in a specific occupation is undertaken.

Further, the length of enrollment in a work experience situation is limited to a maximum of thirteen weeks, which is unlike the Title V and Community Work and Training Programs which could, and did continue persons in work experience indefinitely. The WIN limitation is given by the DOL Wage and Hour and Public Contracts Division (WHPC).

QUESTION 9

*In what components of the WIN program do you have some type of wage subsidization to employers? Would you explain how these work and give your philosophy as to their proper use?*

ANSWER

Section 435(b) of the Social Security Act authorizes payment for the "cost of training, supervision, materials, administration, incentive payments, transportation, and other items . . . but may not include any reimbursement for time spent by participants in work training . . ." The subsidy to employers under special work projects, therefore, is the only case where money appropriated under SSA authority is used to pay a portion of the wage.

The costs to an employer of providing OJT may be reimbursed by the WIN Program or other manpower programs such as MDTA. However, this is a reimbursement for training and supervision and not a wage supplement.

(The following material was submitted by the Department of Health, Education, and Welfare in answer to questions by Congressman Broyhill:)

QUESTIONS ON HEALTH COST EFFECTIVENESS AMENDMENTS

**SECTION 2:** *Section 2 of the Health Cost Effectiveness Amendments requires that no payments be made for depreciation, interest on funds borrowed for a capital expenditure or a return on equity capital if the State comprehensive health planning agency has not been notified of the proposed expenditure 60 days prior to the expenditure or if, within the 60-day period, the State planning agency informs the institution proposing to make the expenditure that the expenditure would not be in conformity with the State plan*

QUESTION 1

*How serious is the need for this provision? How widespread is the duplication of facilities today?*

ANSWER

There are few aspects of the health care system in the United States which have been so thoroughly explored as the need for comprehensive areawide planning for the development and utilization of all types of health care facilities. An impressive professional literature is available describing the various deficiencies resulting from the construction of new facilities and the renovation and expansion of existing facilities without relating these activities to a comprehensive areawide plan. But the acceptance of the purpose of areawide health facility planning has not been consistently matched by purposeful application of the incentives required to achieve the end result of such planning. Thus, while a significant amount of Federal monies is currently being expended under the comprehensive health planning provisions of the Public Health Service Act in the interest of furthering health facility planning at the State and local levels, Federal funds are being expended for health services provided under Medicare, Medicaid and the maternal and child health programs without regard to whether the facilities providing the services are cooperating in such health facility planning. The underlying intent of this provision, therefore, is to introduce a greater degree of consistency among these Federal programs in their approach to health facility planning, as well as to avoid paying higher costs unnecessarily in the future where these costs result from duplication or irrational growth of health care facilities. In addition, we believe this provision would offer further substantial encouragement to those organizations in the private sector that are actively supporting the health planning effort.

Unfortunately, there is little statistical data on the degree to which duplication of health care facilities exists. In large part, this is a consequence of the fact that the concept of "duplication" becomes exceedingly elusive when an attempt is made to define it or establish its limits on the basis of anything other than sound professional judgment. The reason for this is that medical and hospital administration are not exact sciences and they change with new knowledge. Thus, the "need" for building hospital beds, or constructing entirely new facilities, or adding additional equipment and services varies from time to time and place to place. The development of facilities, therefore, has to be evaluated within the context of constantly changing needs.

Nevertheless, a number of examples not only of duplication of facilities but of an imbalance of facilities have been identified in various studies. The Secretary's Advisory Committee on Hospital Effectiveness reported the existence of situations of the following kinds: ". . . two new hospitals, both half empty within a few blocks of each other; half a dozen hospitals in another city equipped and staffed for open-heart surgery, where the number of cases would barely keep one of the centers busy; empty beds the rule rather than the exception in obstetric and pediatric services across the Nation; aged chronically

ill patients lying idle in \$60-a-day hospital beds because no nursing home beds are provided; overloaded emergency rooms, and under-used facilities and services that have been created for reasons of prestige rather than need."

#### QUESTION 2

*How well is the Comprehensive Health Planning Program working? It's my understanding that it's spotty because the States and even the Federal Government are not sure what the law means. The law is almost totally without definitions.*

#### ANSWER

The Comprehensive Health Planning Program is still in a developmental and organizational stage. State agencies have been established in all 50 States, the District of Columbia and 5 territories. On the areawide level, 106 planning agencies, servicing slightly more than half the population of our Nation, are receiving Federal grants; 10 of such agencies are currently operational. It is estimated that 113 planning agencies will be receiving grants by the end of fiscal year 1970 and that 35 of such agencies will be operational.

State planning agencies are engaged in developing systems of fact gathering about the distribution and utilization of health care facilities, conducting surveys of such facilities, conducting programs designed to foster public understanding of trends and problems in the utilization and costs of facilities, and undertaking educational programs. It is intended, of course, that areawide planning agencies will play a significant role in the development of comprehensive health plans; thus there is need for a special effort to have such agencies funded where needed and to have areawide agencies operational no later than June 30, 1972.

One of the keys to successful comprehensive health planning lies in the training of persons who would be professionally qualified to engage in comprehensive health planning and high priority has been given to this problem. Under a graduate training program support was provided for 185 students in fiscal year 1969 and it is estimated that 270 students will receive training in both fiscal years 1970 and 1971. A short-term training program has provided support for 520 persons in fiscal 1969 and it is estimated that 350 persons will be trained in fiscal 1970 and 500 in 1971. A consumer training program, designed to train representatives to serve on consumer advisory committees in State and area-wide planning agencies, helped train 1000 people in fiscal 1969 and it is estimated 750 people will be trained in fiscal 1970 and 500 in fiscal 1971.

#### QUESTION 3

*If there is no State planning plan, how would this section apply in that State?*

#### ANSWER

If the State agency does not have a plan for comprehensive health planning it would not, of course, be in a position to disapprove proposed capital expenditures. In such a State the provisions would not have any effect. However, since the provision would not become effective until June 30, 1972 (or earlier if the State agency is ready), there would be "lead time" of as much as 2 years for States to formulate comprehensive health plans.

#### QUESTION 4

*What would happen if some philanthropist bequeaths funds for, say a cobalt machine at XYZ hospital and the State plan did not call for such equipment in XYZ's area? If the hospital accepts the bequest, would it be entitled to depreciation payments on that equipment?*

#### ANSWER

If a capital expenditure for such equipment had been disapproved by a State planning agency as not conforming to the over-all State plan, depreciation payments would not be payable on that equipment.

## QUESTION 5

*If the answer to (4) above is negative—will not this have an adverse effect on charitable contributions and bequests to hospitals?*

## ANSWER

It is possible that the withholding of depreciation payments in a case such as that outlined in question (4) would have an adverse effect on charitable contributions and bequests to hospitals. We believe, however, that such an effect would be minimal. Most people considering donations or bequests will discuss such plans with the hospital. The hospital in turn could be expected to consult with the appropriate planning agency concerning the purpose of the proposed donation or bequest, because of the effect an adverse planning agency determination would have on Federal payments. Thus, we believe that donations and bequests will continue to be available to hospitals and other health care facilities, and that this provision will have the salutary effect of providing assurances to contributors that their donations or bequests will be used for a purpose that would best serve broad community needs.

## QUESTION 6

*In effect, doesn't this section tell a hospital how it must spend money it has earned in providing services under Medicare, Medicaid and the maternal and child health programs?*

## ANSWER

While depreciation and interest payments would not be payable on those specifically disapproved capital expenditures, this provision would not preclude an institution from spending its capital as it chooses. The purpose of this provision is not to control the capital of hospitals and other health care institutions, but rather to encourage the development of a community perspective that would result in the funds available for expansion and modernization of health facilities within a given area being used to the best advantage of those persons who would look to such facilities for health care services.

*Section 3: Section 3 calls for corporate planning by institutions providing services under Medicare, Medicaid and the maternal and child health programs*

## QUESTION 1

*Isn't this provision an unnecessary invasion of the rights of these organizations? Do not most institutions already do such planning?*

## ANSWER

While the requirement that an institution prepare and publish an institutional plan of operation might be considered by some as an invasion of the rights of the institutions, others would hold that the unique role of the hospital (and other health care facilities) as a community service institution requires that primary consideration be given to the needs of the community. The modern hospital today is indispensable to the health of any community and, indeed, means the difference between life and death to many people each year. As such, it deserves support, respect, encouragement and even insistence that it grow in excellence—and that can only occur if the institution is managed efficiently and effectively.

This proposal would only require of hospitals the type of internal planning and budgeting that is expected of any soundly run and efficient business. With the rapidly escalating costs and prices in hospital care, efforts should be made to encourage effective and efficient management and operation of these community resources.

Health care facilities have been criticized, with some justice, for the absence of sound business practices in their operation. The Secretary's Advisory Committee on Hospital Effectiveness in its report stated, ". . . the fact must be faced that deficiencies in hospital management owe something, at least, to inattention, indifference, or lack of information on the part of some hospital boards, and some trustees with the best intentions and energy haven't been adequately informed by administration on what the function of a hospital trustee, or a

hospital, should be." In recommending a requirement such as is contained in this provision, the Committee stated, "The requirement that detailed budgets and operating plans be prepared annually as a condition or approval of participation in Federal programs can be expected to disclose management inefficiencies in such health care institutions as a necessary first step towards bringing about needed improvements. Especially, the Committee believes this requirement will compel the attention of many hospital trustees to lapses in management that would not be permitted in their own businesses."

It is true that most institutions are already engaged, in varying degrees, in the type of institutional planning called for under this provision. This is reason, of course, to expect that the provision will not pose a hardship for the institutions. Making such planning a requirement for participation in the Medicare program is intended to assure that the governing bodies of the institutions are knowledgeable about the operating budgets and the plans for future capital expenditures of the institutions. Further, the governing bodies would be aware that information about the institution's budget and plans for the future would be available to the community and to third party interest. In the latter respect the requirement should lead to a meaningful exchange of information between institutions about plans for meeting the institutional health care needs of a community.

#### QUESTION 2

*The proposed new section 1861(z)(3) calls for publication on an annual basis of the Plan. Why is this necessary? How would it be published?*

#### ANSWER

The requirement for publication is included so as to provide individual purchasers of care, third-party payers, and philanthropists with a better basis for evaluating the relative efficiency of health care facilities. Publication is also intended to encourage effective management by making the operating plans and budgets available to interested individuals and groups in the community. The Advisory Committee on Hospital Effectiveness indicated that ". . . pressures for improved management performance can be produced by making comparative data on management performance visible throughout the community.

The requirement that an institution's plan be "published" is only intended to assure that the plan will be available to the public on request. It is contemplated that regulations would require that the institution furnish copies of its plan, on an annual basis, to both the State comprehensive planning agency and the areawide planning agency in whose jurisdiction the institution is located. Both of these agencies would then be in a position to furnish, upon request, copies of individual institution's plans to interested parties in the community.

*Section 4: Section 4 calls for the Secretary to carry out certain experiments and demonstration projects. Among other things, the Secretary would be able to require institutions and organizations to participate in the experiments or projects.*

#### QUESTION 1

*First, what do you mean by "organization?" Could a member of a medical or dental society be required to participate in a project in which they would have to accept a flat fee or provide services in a specific manner?*

#### ANSWER

It is intended that this provision would apply only to institutions participating in the program, group practice plans, and those teaching physician teams who consider themselves to be a group and who wish to participate in the experiments or demonstration projects. Medical and dental societies as such would not be considered "organizations" for purposes of this provision.

#### QUESTION 2

*Second, I realize that the Secretary cannot conduct the experiment or project in the area if more than 20 percent of the institutions or organizations can prove "hardship" as defined by the Secretary. How does the Secretary propose to define "hardship?"*

## ANSWER

While other criteria may be expected to develop as a result of further program experience it is our present thought that the definition of the concept of "undue hardship" would include, among other things, explicit recognition of the possibility of reductions or curtailment of services, the possible impact on the quality of services furnished by the organization, the possible burden that might be imposed on professional staff of the organization as a result of the institution's participation in an experiment or demonstration project, and the financial impact on the institution. Viewed in this context the definition of "undue hardship" would be designed to take into consideration the question of how a community might be specifically affected, in light of the availability and the quality of services in that community, by the participation of any given institution. Still another important component of the definition would be the institution's ability to adequately fulfill the additional recordkeeping requirements that a proposed experiment or demonstration project would impose.

As an example of how "undue hardship" might be evaluated in a specific case consider, for example, an experiment with a "package" rate of reimbursement negotiated with an institution.

Such an experiment might well cut across present part A cost reimbursement distinctions of title XVIII and part B charge reimbursement. While it is true that such an experiment offers a potential of program savings, the experiment would also have to be regarded in light of the institution's individual needs and requirements. The institution participating in an experiment of this nature might have to inaugurate different billing procedures, broaden its utilization review activities, and possibly add administrative and professional staff. Thus, the total impact, including the financial impact, of the experiment on an institution's capacity to render services effectively to its patients and the community generally would have to be analyzed to determine whether a particular experiment or demonstration project did indeed cause it (and by inference, the community) "undue hardship".

## QUESTION 3

*Third. if 80 percent of the organizations or institutions agree to participate in the experiment, why is it necessary to force the others to participate? Would not the results from the 80 percent be almost as good as 100 percent participation?*

## ANSWER

Participation of 80 percent (or less) of the organizations or institutions in a particular experiment would, in most cases, probably be sufficient to measure the effectiveness of the experiment; however, there may be some circumstances under which, in order to assure the reliability of the experiment, it would be necessary to have practically universal participation in the particular area involved. Since, under present law participation in experiments is wholly voluntary, it would be extremely difficult to conduct experiments requiring nearly universal participation both because many may choose not to participate and because those that do participate would probably not represent a random sample—primarily because it can be assumed that those organizations most likely to benefit would participate whereas those that anticipated some adverse impact would choose not to participate. For example, under present authority an experiment could be instituted that would change the method of reimbursement with respect to outpatient clinic services. An inner-city hospital might be reluctant to participate in the experiment due to the impact that his experiment might have on one of its primary sources of revenue. On the other hand, a suburban hospital might be expected to offer little resistance to such an experiment since a much smaller part of its revenue is derived from outpatient clinic services. Voluntary self-selection of participants would tend to invalidate the results of the experiment since the experiment would very likely not include a representative sample of either institutions or people who use outpatient clinic services.

## QUESTION 4

*Fourth. supposing a hospital gets its back up about a particular project and refuses to participate. No payment can be made to that hospital under Medicaid, Medicare or the maternal and child health service program. Would not this section result in the reduction of already scarce services to the beneficiaries of these programs and the overcrowding of other hospitals in the area?*

**ANSWER**

It is true that if this provision were strictly applied there might in some instances be a reduction of scarce services. However, it is intended that the Secretary in administering this provision would take such factors into consideration. It was not contemplated that this provision would in any way produce results that might be harmful to beneficiaries or impair an institution's ability to provide urgently needed health care services to the community. It might be desirable to amend the draft language to provide statutory assurance that the availability of needed health services in any given community will not be adversely affected by the provision.

*Section 5: Section 5 sets up criteria for cutting off payments to physicians, dentists, hospitals, and other providers of services.*

**QUESTION 1**

*Why is this provision necessary? As I understand it, existing law (section 1862(a)(1) prohibits payment for services which are not reasonable or necessary for the diagnosis or treatment of illness or injury.*

**ANSWER**

This provision is intended to deal with the problem presented by the relatively small number of institutional providers of services, physicians and other suppliers of services who have made a practice of furnishing inferior or harmful supplies or services, engaging in fraudulent activities, or consistently overcharging the program. Section 1862(a)(1), which prohibits payment for services that are not reasonable or necessary for treatment of illness or injury, relates only to services in question. Present law does not provide authority for the Secretary to withhold future payment for all services furnished by an institutional provider of services, a physician, or any other supplier who either abuses the program or endangers the health of beneficiaries.

Because at present the services provided by such practitioners or suppliers are reimbursable under the program, except as payment is prohibited for specific instances under 1862(a)(1), a continuing review and investigation of the bills deriving from the services provided by such practitioners or suppliers is necessary to prevent unwarranted expenditures. This extremely close surveillance is expensive and not always certain to turn up the evidence needed to deny a particular claim. In addition, retroactive claims investigation offers the patient no protection against services that can be harmful, nor can present law preclude such instances of abuse from occurring in the future.

**QUESTION 2**

*This section also provides for a cut-off where "excess services or supplies" are provided. The Secretary is to make this determination. On what basis would he make this determination?*

**ANSWER**

The Secretary's determination to discontinue reimbursement would be based on facts as established in the intermediary and carrier review operations and on further consultation with the appropriate medical review team (composed of physicians and other professional personnel in the health care field) established under the national program of medical review and evaluation. Also, it is expected that the medical review teams would be likely to make recommendations to the Secretary for discontinuance of reimbursement based on their own findings.

**QUESTION 3**

*How necessary is this provision? Will we be adding an unnecessary burden to the overwhelming majority of physicians, dentists, hospitals, and other providers who do no wrong just to get at a few bad eggs?*

**ANSWER**

The provision is needed to protect the Medicare program and its beneficiaries from those suppliers of services whose practices represent an immediate threat to the health and welfare of beneficiaries or the integrity of the program. Such protection is not now provided under the Medicare law. For example, if a

physician is found guilty of fraud in connection with the furnishing of services to a Medicare beneficiary, there is not authority under present law to bar payment on his subsequent claims so long as the physician remains legally authorized to practice.

This provision would not impose any burden on those physicians and suppliers of services who do nothing wrong because it would not have any effect on them.

*Section 6: Section 6 provides for payments at less than reasonable costs in those cases where the institutions charge less than the reasonable cost of the services. This provision applies mainly to facilities with large endowments.*

#### QUESTION 1

*Will not this provision result in such hospitals raising their rates to the general public?*

#### ANSWER

The major purpose of this provision is to remove an illogical situation—payment by Medicare, Medicaid, or the maternal and child health programs of more than a facility would charge if the patient were not a beneficiary under such a program. If the provision is adopted, there may well be instances in which those few facilities with large endowments will raise their charges to the general public as a result. However, to the extent that this happens, the higher charges could be expected to reflect costs essentially. In this sense the general public would be paying no more than it could reasonably expect to pay.

*Section 7: Section 7 modifies the payment provisions under Medicare to provide that the Utilization Review Committee in a hospital or extended care facility would have to pass on the medical necessity of the patient's admission to the facility and the services he is provided.*

#### QUESTION 1

*Does not this provision call for the hindsight judgment of the physician's judgment? Do you think a review committee will be willing to do this?*

#### ANSWER

The utilization review function, like any professional review function, necessarily involves the independent examination of the wisdom and appropriateness of a prior decision or judgment. Such reviews always, therefore, entail a certain degree of "hindsight judgment," even where it is conceded that the primary purpose of the review activity is to enhance the ability of individuals to make more effective initial judgments. So far as review of the utilization of hospital facilities and services is concerned, both the American Hospital Association and the American Medical Association have consistently endorsed such activity on the grounds that it represents one of the most effective professional mechanisms for attaining improvements in the use and quality of health care services. Clearly, neither of these organizations regards utilization review as a factor intended to undermine the professional judgment of physicians.

Under present law, hospitals and extended care facility utilization review committees are responsible for reviewing, on a sample or other basis, the medical necessity of (1) admissions to the institution; (2) the duration of stays therein, and (3) the professional services furnished. However, unlike cases where further stay is found medically unnecessary, present law does not require that the patient, the physician and the institution be notified when the committee finds that an admission to the facility was unnecessary or that there was overutilization of professional services. The proposed provision would modify present law so as to require such notification, which would result in withholding of payment for the services found to be unnecessary. There is no reason to believe that utilization review committees would be unwilling to perform this additional step since the provision neither changes the basic functions of utilization review committees nor imposes workloads beyond those currently carried by committees.

#### QUESTION 2

*If payments are disallowed, is it not the beneficiary of the program who will be penalized?*

## ANSWER

It is true that the provision, as presently drafted, does introduce the exceedingly difficult problem of retroactive denial of benefits. However, this problem is not a new one in the Medicare program; it is, in fact, an inevitable element in any program requiring the adjudication of claims. Nevertheless, we agree that the consequences for the Medicare beneficiary can be quite serious and we are, therefore, continuing to study possible ways to minimize—consistent with the responsible financing of the program—the impact of such determinations on individual beneficiaries. One possible modification of the proposed provision that might be considered would be to require the utilization review committee to select as a sample, admissions occurring on the day of their deliberations. Under such an approach, the identification of unnecessary admissions could be made immediately and the liability of the beneficiary affected held to reasonable limits. Alternatively, there may be some merit to the suggestion that the proposed provision be modified so as to provide for the same three-day grace period provided under present law in long-stay cases. (It should be noted that a drafting error in the provision would inadvertently eliminate this three-day grace period—that is, it would eliminate the guarantee of payment under present law for three additional days after a determination has been made that further stay in the institution would not be medically necessary.)

When Congress eliminated the initial physician certification requirement it did so on the assumption (which the available evidence appears to have corroborated) that the vast majority of admissions were medically necessary. While there is no reason now to question that decision, it remains true that there are occasions when an admission to a facility is not medically necessary. This provision is intended to take account of such a possibility without, however, placing any additional burdens on utilization review committees.

## QUESTION 3

*What are you proposing to do to protect utilization review committees from lawsuits resulting from their judgments? In 1967, this committee, with the concurrence of the Johnson Administration, eliminated the requirement of initial certification. Is not Section 7 a much stronger version of initial certification?*

## ANSWER

Judgments rendered by utilization review committees represent the kind of professional medical judgments that the American Medical Association has long recognized as an inherent responsibility of physicians. Indeed, peer review has been advocated by the medical profession as one of the most valued educational methods for assuring the provision of a high quality of care and the effective use of services. Under present arrangements, the utilization review committee is responsible only for rendering such medical judgments; it bears no responsibility for the ultimate disposition of the case; as always, this remains the exclusive responsibility of the patient's physician.

On the point of physician liability, as a consequence of the physician's participation in a committee decision, Dr. Russell B. Roth, who was Chairman of the American Medical Association Council on Medical Services, stated in a report to the Council:<sup>1</sup>

"Physician concern for individual or committee legal liability has been widespread, on the assumption that a committee decision adverse to continuing hospitalization might be made, only to be followed by a deterioration in the condition of the patient or unexpected death. In the opinion of competent legal advisors, the legal liability of physicians under these circumstances should not be a deterrent to service since it is pointed out that the committee itself never mandates a discharge from the hospital. Only a matter of fiscal responsibility for the payment of bills has been adjudicated."

As indicated previously, this provision is not intended to be a stronger version of the initial physician certification requirement. On the contrary, its purpose is to provide for notification of decisions committees are now making but not reporting under present law.

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<sup>1</sup> Journal of the American Medical Association, Vol. 197, No. 5, August 1, 1966.

## QUESTION 4

*Does not this whole proposal, in effect, abrogate section 1801, which prohibits Federal control over the operation of providers of service and the manner in which medicine is practiced?*

## ANSWER

The utilization review requirements in present law have not been challenged by hospitals, physicians, or the Congress as being in conflict with section 1801. Since this provision does not in any way alter the basic responsibilities or operational practices of utilization review committees but only requires that a UR committee notify the patient, the physician, and the institution when a determination is made that the admission of a patient was not medically necessary, there would be no reason to regard the provision as a violation of section 1801.

(The following report was submitted to the committee by the Department of Health, Education, and Welfare:)



## INDEPENDENT PRACTITIONERS UNDER MEDICARE

### A REPORT TO THE CONGRESS—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, WILBUR J. COHEN, SECRETARY

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,  
*Washington, December 28, 1968.*

Hon. JOHN W. McCORMACK,  
*Speaker of the House of Representatives,*  
*Washington, D.C.*

DEAR MR. SPEAKER: I have the honor to transmit to you a report on the "Independent Practitioners Study." This study was requested by the 90th Congress in Public Law 90-248, Social Security Amendments of 1967. Section 141 of the law states:

"The Secretary shall make a study relating to the inclusion under the supplementary medical insurance program (part B of title XVIII of the Social Security Act) of services of additional types of licensed practitioners performing health services in independent practice. The Secretary shall make a report to the Congress prior to January 1, 1969, of his finding with respect to the need for covering, under the supplementary medical insurance program, any of the various types of services such practitioners perform and the costs to such program of covering such additional services, and shall make recommendations as to the priority and method for covering these services and the measures that should be adopted to protect the health and safety of the individuals to whom such services would be furnished."

A primary concern throughout the study was the quality of health care provided under the coverage of the Medicare program. As planning for the study developed, however, it came to be recognized that the scope of the study necessarily included numerous complex issues with respect to the organization and delivery of health care. We have also been aware that the influence of the Medicare program is such that the conditions under which the services of any additional types of licensed practitioners are covered under Medicare may greatly influence the availability of care for the population as a whole, and the treatment accorded these services under private insurance and other public and private programs which provide or pay for health care services. It was also recognized that some of the practitioner groups most interested in coverage under Medicare have not gained full acceptance in the Nation's present physician-oriented health care system, and that every effort should be made to assure them that their requests for coverage received unbiased, impartial consideration.

In view of these factors, the Department invited representatives of all groups of practitioners included in this study to present their position to the Department. Advice and expert knowledge was sought from medical and other scientific experts, providers of services, insurers, and consumers of health care, who would have special knowledge about the use of the services of the practitioners studied, the needs of the aged, and the organization and delivery of health care in general. The report describes in detail how these objectives were achieved.

In summary, the recommendations resulting from the study are:

1. The present coverage for services of physical therapists remain as established in the 1967 Social Security Amendments, which extended coverage to outpatient services provided by approved providers, including rehabilitation agencies, clinics, and public health agencies meeting conditions of participation.

2. Coverage be expanded for services of occupational therapists, clinical psychologists, social workers, and speech pathologists provided in organized agencies, centers, or other programs that are not presently eligible for participation and that meet requirements established by the Secretary and designed to promote maximum coordination, continuity, and quality of care, and to which patients are referred by a physician, who establishes a plan for the patient's total care and retains over-all responsibility for patient management. Reimbursement for

services would be to the provider agency, center, or program on the basis of reasonable cost.

3. Present coverage for optometric services not be expanded at this time.
  4. No changes be made in present coverage for services of audiologists and corrective therapists.
  5. No changes be made in coverage in relation to the services of chiropractors.
  6. No changes be made in coverage in relation to the services of naturopaths.
- I concur in the recommendations.

Sincerely,

**WILBUR J. COHEN, Secretary.**

#### RECOMMENDATIONS

##### PHYSICAL THERAPY

IT IS RECOMMENDED that present coverage for services of physical therapists remain as established in the 1967 Social Security Amendments, which extended coverage to outpatient services provided by approved providers, including rehabilitation agencies, clinics, and public health agencies meeting conditions of participation.

##### OCCUPATIONAL THERAPY, CLINICAL PSYCHOLOGY, SOCIAL WORK, SPEECH PATHOLOGY

IT IS RECOMMENDED that coverage be expanded for services of occupational therapists, clinical psychologists, social workers, and speech pathologists provided by organized agencies, centers, or other programs that are not presently eligible for participation and that meet requirements established by the Secretary and designed to promote maximum coordination, continuity, and quality of care, and to which patients are referred by a physician, who establishes a plan for the patient's total care and who retains over-all responsibility for patient management. Reimbursement for services would be to the provider agency, center, or program on the basis of reasonable cost.

##### OPTOMETRY

IT IS RECOMMENDED that present coverage for optometric services not be expanded at this time.

##### AUDIOLOGY

It is recommended that no changes be made in present coverage for services of audiologists.

##### CORRECTIVE THERAPY

It is recommended that no changes be made in present coverage for services of corrective therapists.

##### CHIROPRACTIC

It is recommended that no changes be made in coverage in relation to the services of chiropractors.

##### NATUROPATHY

It is recommended that no changes be made in coverage in relation to the services of naturopaths.

##### PRIORITIES AMONG SERVICES STUDIED

The services of practitioners considered in this study represent only one set of a number of gaps in the Medicare program. Establishing priorities among these services, therefore, does not imply that there may not be even more important needs of the elderly which must someday be met through the program. For example, the exclusion of routine physical examinations and the \$50 deductible under Part B, together, prevent many elderly persons from entering the health care system for early treatment of medical conditions, or for health maintenance or preventive services. For many of the elderly, the deductible operates all too well as a deterrent to seeking care, and frequently the decision to make this expenditure from limited funds is reached only after the disease condition is well advanced and disabling. Other significant gaps in Medicare coverage with respect to the needs of the elderly are immunizations, drugs, and dental care services.

Considering only the services in this study, determination of priorities was

based on potential of the services to contribute to maximum restoration of function among geriatric patients, and early return, to the extent possible, to normal activities of daily living. It was determined that the professions with the greatest potential for meeting the restorative needs of beneficiaries were clinical psychology, occupational therapy, physical therapy, social work, and speech pathology. No distinction in priority was made among these services, since any one could be of highest priority to the patient who needs it. However, the 1967 amendments to the Social Security Act expanded coverage for outpatient physical therapy service to include services in essentially all organized settings that could meet Medicare standards for participation.

It is recommended, therefore, that highest priority be given to providing similar coverage for services of clinical psychologists, occupational therapists, social workers, and speech pathologists, without attempting to set priorities within this group.

#### ESTIMATED COSTS

Estimated costs of the recommended extension of coverage for services of clinical psychologists, occupational therapists, social workers, and speech pathologists are shown in the table below. These estimates are based on services provided, on referral from a physician, in organized settings comparable to the providers identified for present coverage for outpatient physical therapy services.

	Cost in 1969	Increase in premium per month, total (cents)
Psychologists.....	\$2,000,000	1.0
Social workers.....	10,000,000	4.5
Speech pathologists and audiologists (not including hearing examinations for prescribing, fitting, or changing hearing aids).....	2,000,000	1.0
Occupational therapists.....	1,000,000	0.5

#### CHAPTER I.—DIMENSIONS, METHODOLOGY, AND BACKGROUND OF THE STUDY

##### CHARGE FROM CONGRESS

The purpose of Medicare is to protect its beneficiaries against major expenditures for health care. Medicare was not when it began in 1966 and is not now a comprehensive health insurance program.

The administration proposals that ultimately resulted in the Medicare program provided for coverage of hospital inpatient care, hospital outpatient diagnostic services, extended care facility services, and home health services (Part A). Physicians' services were added during the legislative process, as the major covered item in Part B. Services of health practitioners other than physicians are covered, if at all, as components of hospital care or as incident to physicians' services. With minor exceptions, payment is through approved providers (certified hospitals, extended care facilities, home health agencies, and others) or physicians.

Some nonphysician professional groups have expressed to Congress and to the Department their wishes for changes in coverage to include the services of practitioners in independent practice and in clinics or centers that are not physician-directed. They also want to deal directly with the fiscal intermediary in billing and receiving reimbursement for covered services. All of them want to provide services without direct supervision, but some of them accept and recommend a requirement for physician referral for services. All of them are particularly interested in obtaining these changes for practitioners in private practice.

Some practitioners who are not covered at all under Medicare, such as chiropractors and naturopaths, have requested coverage for their services similar to the coverage provided doctors of medicine and osteopathy.

In response to these requests, the 90th Congress directed the Secretary of HEW to study the needs of the aged for these services. Section 141 of Public Law 90-248 states:

The Secretary shall make a study relating to the inclusion under the supplementary medical insurance program (part B of title XVIII of the Social Security Act) of services of additional types of licensed practitioners performing health services in independent practice. The Secretary shall make a report to the Congress prior to January 1, 1969, of his finding with respect to the need for covering,

under the supplementary medical insurance program, any of the various types of services such practitioners perform and the costs to such program of covering such additional services, and shall make recommendations as to the priority and method for covering these services and the measures that should be adopted to protect the health and safety of the individuals to whom such services would be furnished.

#### INTERPRETATION OF CHARGE

Broad interpretation was given to the phrase "licensed practitioners." Included, therefore, are those health professions that want changes in their Medicare status and that provide services used by the aged, whatever their licensure status. This interpretation is justified by the erratic nature of State licensure. Theoretically, licensure is to protect the public. In practice it is sometimes sought by a profession as a means of establishing the parameters of its discipline and protecting its title; or it can be a method of control through State registration of practitioners, with little effort to set or enforce standards. For some professions, the absence of licensure in a State is permissive; the profession can be practiced without it. For others absence of a licensure law is intended to prohibit practice of the profession.

Selection of professions for study was based on the following criteria: the profession provides a service used by the aged or frequently ordered by a physician as an aid to his diagnosis and treatment; it has a body of theory and techniques amenable to evaluation; its services are not covered in independent practice (with minor exceptions); it has a professional association that maintains a registry or a membership list of practitioners and that attempts some sort of standard-setting and other professional activities; and the professional association has expressed its wishes for changes in Medicare coverage or methods of reimbursement. Meeting these criteria and therefore included in the study were: chiropractic, clinical psychology, corrective therapy, naturopathy, occupational therapy, optometry, physical therapy, social work, and speech pathology and audiology.

Two additional professional groups, dentists and private duty nurses, were considered for inclusion in the study. However, neither of them has requested any change in coverage of their services. With respect to dental services, only oral surgery or reduction of facial bone fractures is currently covered, although the dental needs of the aged are great. If resources were available for expansion of dental services, further dental coverage would undoubtedly be for independent practice, with provisions similar to those for doctors of medicine and osteopathy, due to the similarity in traditional patterns of practice and controls of qualifications of practitioners. The dentist who is legally authorized to practice dentistry is already defined as a physician in the Medicare law in connection with covered dental services. Hence, the issues in this study were not pertinent to consideration of extending coverage for dental services. Regarding private duty nursing services, the trend in modern hospital care is toward care in intensive care units, and other gradations in nursing service depending on patient's nursing care needs, as part of hospital services. Hence, the functions of private duty nursing, insofar as they are medically indicated, are already covered by Medicare as hospital services.

These professions vary greatly in the extent to which the prevailing pattern of delivery of services is through private, independent practice. Some of them generally provide services in organized settings with at least some of the elements of supervision and control that accompany an employment relationship. Hence, although the study considered independent practice for each profession, it also considered coverage under other forms of practice. Comparison of alternative methods of coverage was necessary in order to determine under which Medicare beneficiaries would be best served.

#### METHODOLOGY OF STUDY

Primary considerations in the study were to assure that high quality health care is provided to persons 65 and over who are or will be beneficiaries of the Medicare program, and to assure that beneficiaries have adequate access to care.

It was recognized that some of the practitioner groups most interested in coverage under Medicare have not gained acceptance in the Nation's present physician (i.e., doctors of medicine and doctors of osteopathy) oriented health care system, and that every effort should be made to assure that their requests for coverage receive unbiased, impartial consideration. The approach for the

study, therefore, was designed to maximize objectivity through every phase of the undertaking.

In view of the time limitation established in the request from Congress, data from earlier and current related studies were relied upon for consideration of facts about each profession included. In addition, the professional organizations of the practitioners being studied were asked to submit basic information about their professions, including: historical development of the profession; definition and clinical and scientific bases of the practice; education and training; relationships with other health care professionals and with health care institutions; and the needs of the elderly for the services of the practitioner.

Forty-eight consultants were appointed to examine the collected material and present their opinions in an advisory capacity. Twenty-two were members of an Ad Hoc Consultant Group established to advise on over-all aspects of the study, and 26 served on five specialty expert review panels, composed of three to eight members each. Consultant appointees were sought for their lack of bias and their knowledgeability; none served as a representative of any health profession with vested interest in the conclusions to come from the study. (See Appendix A for lists of consultants.)

The five expert review panels (one each on chiropractic and naturopathy; optometry; physical therapy, corrective therapy, and occupational therapy; psychology and social work; and speech pathology and audiology) served as technical and scientific advisors to the Ad Hoc Consultant Group. The panel members were selected on the basis of their scientific background and high professional reputations in their respective fields. These panels evaluated data submitted by each of the professional organizations, together with that collected by the staff of the Department. They brought to bear on the matters before the Ad Hoc Consultant Group their own knowledge of the education of the health professionals studied and of basic and clinical science.

The Ad Hoc Consultant Group served in an advisory capacity for the total study. Its members were Medicare beneficiaries and citizens, doctors of dentistry, medicine, and osteopathy, and other persons knowledgeable about health care delivery systems and financing, the needs of the elderly, and the education and qualifications of health professionals. This group discussed with representatives of each of the professional associations its position on independent practice in the Medicare program. They also reviewed analyses from the expert review panels and staff and reports from the professional associations of the disciplines studied.

Analyses requested and considered by the Ad Hoc Group identified possible changes in quality of services and patterns of delivery of medical care that might result from the requested changes in type or scope of Medicare coverage. Areas explored included the practitioner's ability to institute proper treatment, to recognize problems beyond his competence, and to make a proper referral. Also included was analysis of the validity of the diagnostic or evaluation and treatment methods utilized by the various disciplines. The Ad Hoc Group considered the needs of the elderly for additional health services and advised as to measures to protect the health and safety of the beneficiaries.

Professional associations representing the practitioners being studied presented their points of view directly to the Ad Hoc Group and submitted in writing information they wished considered in the study. They did not, however, participate in the drafting of the final recommendations lest the Medicare beneficiary lose his position of primary consideration.

The Community Health Service, Health Services and Mental Health Administration, PHS, had primary responsibility for the staff work, supplemented by staff of the Bureau of Health Insurance, SSA. The National Institute of Mental Health, HSMHA, PHS, provided expert assistance in specific areas of the study. The Bureau of Health Professions Education and Manpower Training, National Institutes of Health, PHS, assisted in development of data on manpower, and the Office of the Actuary, SSA, prepared the actuarial estimates.

#### CONCEPT OF COVERAGE FOR INDEPENDENT PRACTITIONERS

Years of debate, discussion, and planning preceded passage of the Medicare legislation, but most of it centered on the benefit package known as the Hospital Insurance Program. In working out this coverage, the planners had ample precedent and experience to call upon because of the similarity of the proposed Medicare coverage to traditional prepayment mechanisms for hospital care. The ideas and experience of the prepayment movement, with service benefits, com-

hensive coverage (an ideal never realized), reimbursable cost, and vendor payments, were easily applicable to the objectives of Medicare hospital coverage under Part A. Hence, this part of Medicare was not experimental; the mechanisms to be employed were familiar, utilization data were available, and hospitals and fiscal intermediaries were relatively familiar with their functions under the program.

With the supplementary medical coverage, principally for physicians' care but also for a few other related services, the situation was quite different. Added later in the planning for Medicare, this component of the program did not undergo the years of preplanning in which concepts and mechanisms for coverage could be worked out in detail. Since physicians are predominantly in private solo or partnership practice (with the exception of hospital-based specialists and those in the scattered prepaid and other group practice plans), a method had to be devised to cover independent practitioners. This was not a matter of choice; it was a necessity. Previous experience with insurance coverage for physicians' services was generally not applicable, since most insurance did not cover home and office calls and the only benefits of a comparable scope were those of prepaid group practice plans. Utilization data on use of physicians' services under such a broad program were not available.

Hence, with Part B a new and untried mechanism of insurance coverage was introduced. Certain assumptions had to be made because of lack of precedent, experience, and applicable statistics. Problems were anticipated, but experience had to be gained before the assumptions could be tested. Part B was, in fact, an experimental program.

#### PRESENT MEDICARE COVERAGE

With certain minor exceptions, physicians are the only practitioners whose services in independent practice are covered under the present Medicare law. The law defines "physician" to mean a doctor of medicine or osteopathy and, for certain of their services, dentists and podiatrists. Services of most of the practitioners included in this study are covered only if given as part of the services of Medicare-approved providers, or if provided as incident to the services of a physician.

When the service is furnished as a provider service, the practitioner may be an employee of the provider, or he may be self-employed or employed by another agency and perform the service under a contractual arrangement with the provider. In either case, billing for the practitioner's services must be by the provider and Medicare reimbursement is made to the provider on the basis of reasonable cost of the services. A contractual agreement between a practitioner and a provider of services must indicate that payment by the Medicare program to the provider for the practitioner's services discharges the liability of the beneficiary or any other person to pay for the services.

To be covered as incident to a physician's care, services must be of kinds that are commonly furnished in physicians' offices or clinics and are commonly rendered without charge or included in physicians' bills. The intent is that only those services that are administered as an integral part of the physician's professional services of diagnosis or treatment and that represent an overhead expense to his practice may be covered under this provision.

Generally, if a practitioner is an employee of the physician and furnishes the services under the physician's supervision in his office, his services are covered. Services may also be covered if provided in a physician-directed clinic, under the supervision of a physician other than the attending physician. Payment to the physician is on the basis of reasonable charges.

#### CHAPTER II.—ISSUES INVOLVED IN CONSIDERATION OF CHANGES IN COVERAGE

##### HEALTH AND SAFETY OF BENEFICIARIES

The health and safety of its elderly beneficiaries is the focus of the Medicare program. Primary concern when any change in Medicare is contemplated is whether or not the change will improve, or contribute toward improvement of, the health status of geriatric patients, with adequate safeguards for their safety and well-being. The views and advice of the various health professions are an invaluable asset in assessing the adequacy with which Medicare meets the needs of geriatric patients, particularly when changes or extensions in coverage are considered. However, if in these considerations the interests of Medicare beneficiaries appear to come into conflict with the interests of any health profession or group of practitioners—or with precedents set either in or outside

Medicare related to the health professions—reconciliation of the conflict must be accomplished within the framework of the focus of the program.

#### EFFECTS OF CHANGES IN COVERAGE

Medicare is still in its early formative years; contemplated changes should be seen in terms of their effects—short-term and long-term—on the total program, for provisions instituted now will have lasting effects. If revisions of Medicare coverage might bring about changes in prevailing patterns of care, then the results must be demonstrably in the best interest of the total population, not just of Medicare beneficiaries. Sound planning, therefore, is an essential element of Medicare's responsibilities to its beneficiaries and to the total public.

#### PATIENT ENTRANCE INTO HEALTH CARE SYSTEM

Another over-all consideration for the professions studied is whether the practitioners' services are (1) adjunctive to or supportive of the services of the primary sources of care, the physician; or (2) offered in a manner that substitutes the practitioners' services for those of the physician.

- Services are adjunctive to, or supportive of, the physician's services when the practitioners accept or recommend that a requirement for physician referral be built into the coverage. In this case, the patient will have undergone differential diagnosis by the physician, who prior to referral will have identified underlying pathology and determined the patient's needs for services; and the physician continues to have over-all responsibility for the patient's care.
- Services are considered substitutes for those of the physician when the practitioners want Medicare coverage without physician referral—i.e., when the practitioner functions as the "point of entry" for the patient into the health care system. In this case, the practitioner himself must, of necessity, perform an initial diagnostic evaluation and determine the patient's need for his services. Thus, he performs the functions—however restricted nominally—of the physician.

This distinction is of crucial importance in determining provisions necessary under Medicare to assure quality and appropriateness of services and the safety of the patients, and to determine the effects of coverage on the Medicare program and on the total health care system. Related to this distinction, and to determining appropriate conditions of coverage, is whether practitioners provide their services in private, independent practice or in some type of organized or institutional setting. Both "supportive" and "point of entry" services can be offered in either type of setting, but the former are more likely to be in organized settings, the latter in independent practice.

Within the context of these over-all considerations, the following issues were examined for the specific practitioner groups in this study.

#### NEEDS OF MEDICARE BENEFICIARIES

Geriatric patients are likely to suffer from multiple symptoms and various interrelated disabilities, with underlying pathology that is complex and that requires a range of diagnostic and therapeutic services. Their medical conditions are often further complicated by social, psychological, and economic instability, requiring various non-medical consultative services as well. There is little doubt, therefore, that Medicare beneficiaries need coverage for the services of most of those practitioners included in this study.

However, the needs of beneficiaries, for these or any other services, are not automatically met by providing coverage for them. In the maze of the complicated systems and subsystems of medical and related specialties and subspecialties, any patient is apt to be perplexed in choosing the practitioner best equipped to provide the type and quality of service he needs. The geriatric patient, frequently with multiple diagnoses and complex conditions, in particular may experience difficulty in assessing his needs and seeking out the resources to meet them. Fragmentation of care appears inherent in increasing specialization of the health professions and the resulting multiplicity of practitioners, and this fragmentation is undeniably exacerbated when the practitioners are in independent practice.

Hence, a critical need of the Medicare beneficiary (perhaps even the greatest need in relation to the practitioners in this study) is for a mechanism to bring the patient and the service together, to coordinate and guide him to the various

services available to him—in short, for management of his care. A related need is for assurance of the safety and quality of the services to which he has access.

In evaluating needs of beneficiaries for each of the services considered in this report, three questions should be answered, within the context of: (1) whether the service is provided as supportive to or a substitute for the physician's service; and (2) whether it is provided in an organized setting or by an independent practitioner:

1. What is the prevalence of need for the service among the aged?

2. How can this service be coordinated with patient's total health care management?

3. How can Medicare provisions for coverage of services of each practitioner group assure the safety of the patient and the quality and appropriateness of care?

#### QUALITY OF CARE

Assurance of the provider's capacity to give professionally acceptable care is a responsibility of the Medicare program. The full participation and advice of professional groups and accrediting bodies must be obtained in setting standards and devising methods of surveillance, but Medicare cannot delegate its ultimate accountability. The one statutory exception is that hospitals accredited by the Joint Commission on Accreditation of Hospitals are deemed to meet all Medicare requirements except utilization review.

The need of geriatric patients for guidance in obtaining health services with respect both to type and quality has been mentioned. In the absence of any other mechanism, they look to Medicare itself for guidance, the fact of Medicare coverage being accepted as assurance that the services covered may safely be used.

Medicare has placed major reliance on direct supervision by physicians and provision of services through approved providers to assure a reasonable quality of services given by health personnel. General mechanisms exist for surveillance of care given and assurance of the capacity to give acceptable care in organized, institutional provider settings under Part A. These include the initial approval of the facility for participation (and the required periodic reapproval), combined with on-going, continuous surveillance through peer review committees.

Performance standards for nonphysician practitioners providing their services in independent practice would need to be more stringent, in statement and application, than for such practitioners in organized settings. In organized settings peer groups can formally and informally review patient care. In such settings consultation either by fellow practitioners or by practitioners of other disciplines is more readily available; and there is an element of the employment relationship to assure some surveillance of quality of care and the screening of practitioners for their qualifications. Also, the organized setting (clinic, agency, or center) would have met standards for eligibility to participate in the Medicare program.

The most rigorous standards are needed for those nonphysician practitioners who want to serve as the point of entry for the patient into the health care system. Since the patient will not have had a referral diagnosis by a physician, the practitioner himself must evaluate the patient's need for his services. For these professions, the quality and content of the educational programs must be examined carefully in terms of adequacy of training and clinical experience of the practitioners to prepare them to make this initial evaluation. They must be able not only to recognize and evaluate the patient's need for their own services, but also to recognize signs and symptoms of other pathology that might contraindicate their services or indicate that the patient should be referred to a physician.

If a profession wants coverage for services only on referral from a physician, the patient will already have undergone differential diagnosis and his need for services determined. For such practitioners, the educational program should be examined in terms of the practitioner's preparation to provide specialized health services to patients, including geriatric patients. However, he should be able not only to provide services of high quality, but also to recognize general signs, symptoms, and behavior patterns in geriatric patients that indicate the need to refer the patient back to the physician.

#### IMPACT ON MEDICARE PROGRAM

The preceding section discussed the most important aspect of any proposed changes within the primary focus of the program—the effects on quality of care in relation to the safety and well-being of the beneficiaries. Other aspects, however,

must also be considered, since they also have impact on the effectiveness with which Medicare fulfills its goals.

When Part B coverage was added to Medicare, the assumption was made that, since the coverage conformed with the present mode of practice of physicians, controls through administrative mechanisms could safely be minimal. And as long as Part B covers principally doctors of medicine and osteopathy, the safety of the patient is, with few exceptions, not seriously threatened. With inclusion of other practitioners, however, the lack of quality control procedures—and lack of recourse in cases of abuse—present problems, and establishing effective review of patient care and cost controls would be difficult with respect to practitioners in independent practice.

In considering these issues, the distinction between supportive and point of entry services, and between organized settings and independent practice, is important for each of the professions. Physician referral for supportive services, for example, partly solves the problem of determining medical necessity. And, as was mentioned previously, in the organized settings there are procedures to accomplish surveillance of quality, appropriateness of services, and costs. If there is extension of coverage for additional nonphysician services provided by independent practitioners, it will be necessary to devise means to accomplish the following:

1. Determination of medical necessity for each of the services covered;
2. Maintenance of standards in the delivery of each of the services; in several of the disciplines personnel and education standards are now in developmental stages; in others there appears a lack of consensus within the profession itself regarding standards;
3. Detection and handling of professionally unacceptable practices or financial abuses—as well as a means, with “due cause,” to exclude the services of the practitioner from the program;
4. Determination of “unusual and customary” fees. For those disciplines in which there is little independent practice at present, data are nonexistent in some localities, inadequate in others; for those disciplines in which there is some degree of independent practice, profiles to use as the basis for determining charges are difficult to derive; even establishing “prevailing range” screens is difficult. In organized settings, with reimbursement based on costs, this problem does not arise.

#### IMPACT ON TOTAL HEALTH CARE SYSTEM

The magnitude of the Medicare program as a financing mechanism for health care, combined with its impact as a concept of social responsibility, inevitably means that policies and precedents established under it will affect the total health care system. Contemplated changes in coverage should be approached with caution, and with full awareness of the role of Medicare as an agent of change. Hasty changes, made without adequate information and without thorough debate, exploration, and preparation within the health care community, could be damaging not only to Medicare beneficiaries but also to the total population. On the other hand, a too-timid approach, geared to conformity with the status quo, could inhibit inventive planning and progress in improved methods of organizing and delivering services to adapt to scientific, technological, and social changes.

Changes in coverage may have the effect of weakening our voluntary health system. While those disciplines that are older and have well-developed professional organizations can probably accept partnership responsibility for standard-setting and other control functions necessary in Medicare, other disciplines are still relatively young and are just developing these controls and cannot yet assume even minimal responsibilities. Premature action by Medicare could inhibit the voluntary developments now going on among them. Moreover, for developing health professions, such action could have the effect of freezing functions or making it difficult to change job descriptions within the profession.

Inevitably, inclusion of a service in Medicare, and the provisions of its inclusion, will be interpreted as a stamp of approval and cited as a precedent. For example, in support of their requests for changes of coverage, some professional associations representing the disciplines in this study cited Title XIX (Medicaid) as a precedent since it is frequently associated with Medicare. If this citation is presented as “indicative” of the validity of various claims, precedents set by Medicare will almost certainly be cited as “proof”—and this will be a difficult argument to refute. Hence, any change in Medicare should be tested against its applicability to the total population, to other health practitioner groups, and to other health care programs.

The requested changes in Medicare coverage could have other far-reaching effects on the total health care system. Among the issues that should be considered with respect to each practitioner group are the following:

1. Will the change in coverage affect present patterns of delivery and use of services? This could happen when the change in coverage is not consistent with the prevailing mode of practice of the profession. In such cases, the effects must be examined in terms of efficiency, economy, availability of services, and quality of care for all patients, not just for Medicare patients.

2. Will the change affect quality of care? The effects on quality might be in both directions. First, the existence of standards for participation in Medicare of practitioners in various types of settings would have the effect of raising standards of care for all patients. On the other hand, independent practice is vulnerable to the charge that it contributes to fragmentation of care and lessens the effectiveness of both formal and informal peer review mechanisms, which help to insure professionally acceptable care. If the change in coverage caused a proliferation of independent practice, difficulties could be encountered by the increasing number of patients who would have to receive services in this setting, but without the protective provisions that might be devised for Medicare beneficiaries. Perhaps a corollary question might be asked: Can a mechanism be found to counteract adverse effects, or should the disadvantage be accepted in order to secure other and more important benefits?

3. How would the change affect availability of manpower? In the view of some of the professional associations, their requested changes would increase manpower availability and bring about a better distribution. However, coverage of services of additional practitioners in independent practice could draw an increased number of health personnel into independent practice, thus setting up increased competition among approved providers for qualified personnel, aggravating shortages that already exist and leading to dilution of the professional component of services in various settings.

In the organized settings, on the other hand, tasks and responsibilities can more easily be delegated to nonphysician personnel, thus making maximum use of available manpower. These effects could vary among the professions studied and were kept in mind in evaluating each.

4. What would be the effects on health care costs? There is speculation that Medicare has been inflationary, and certainly health care costs have risen more rapidly since Medicare than they did before, for physicians' fees as well as for hospital costs. It has not been demonstrated that lack of adequate cost controls in Part B of Medicare is responsible for this increase, but the circumstances lend weight to the supposition. If Part B coverage is to be extended for services of other independent practitioners, the possible mechanisms for cost controls should be examined for each of the disciplines for which services are to be covered.

### CHIROPRACTIC

#### PRESENT MEDICARE COVERAGE

Although chiropractic services are not excluded by name from Medicare coverage, in effect, they are not covered. The definition of a physician under Medicare does not include doctors of chiropractic, thus excluding all services of chiropractors in independent practice. Moreover, because Medicare-approved hospitals and other providers normally do not provide chiropractic services, it is unlikely that chiropractors would be employed by any approved provider. Hence, services of chiropractors are excluded from coverage as "other therapeutic services," which are reimbursable to providers.

#### REQUESTED CHANGE IN COVERAGE

The International Chiropractors Association recommendations concerning Medicare are: "1) chiropractic inclusion in Medicare; 2) strict confinement of chiropractic care to spinal analysis and adjustment in the restoration and maintenance of health." (1)

The American Chiropractic Association asks for coverage of services of a chiropractor "with respect to functions which he is legally authorized to perform as such by the State in which he performs them." (2) (See Association Statements B.)

## PROFESSIONAL ASSOCIATIONS

A slight schism in the chiropractic community is expressed by the two professional associations representing chiropractors. Members of one group of chiropractors, represented by the International Chiropractors Association (ICA), are called "straights," because their approach is more restrictive, usually limiting diagnostic effort to "determination of structural disrelationships of the spinal column" (the chiropractic or spinal analysis) and the method of treatment to spinal adjustment. (3) There also is evidence that this group feels chiropractic has a broader application to the diagnosis and treatment of disease than members of the other association. (4)

The ICA, with 4,057 members, is dominated by Palmer College, founded by D. D. Palmer in 1895, in Davenport, Iowa. Its definition of chiropractic is:

. . . that science and art which utilizes the inherent recuperative powers of the body, and deals with the relationship between the nervous system and the spinal column, including its immediate articulations, and the role of this relationship in the restoration and maintenance of health. . . . (5)

Members of the other group of chiropractors, represented by the American Chiropractic Association (ACA), are called "mixers" and have departed from the original Palmer approach by including dietary and nutritional supplementation and physiotherapy in treatment methods, in addition to the chiropractic adjustment. (6) Although spinal analysis is the central interest of this group, there also appears to be more emphasis on evaluation of parameters other than the relationship between the nervous system and the spine. (7) The ACA has 7,327 members. This group defines chiropractic as:

. . . a study of problems of health and disease from a structural point of view with special consideration given to spinal mechanics and neurological relationships. (8)

## UTILIZATION OF CHIROPRACTIC SERVICES

The extent and variation in use of chiropractic services, by selected patient characteristics, are shown in two ways in Table 1. First, the extent of use is shown as a simple percentage of persons in each population group who consulted chiropractors and of those who saw any type of physician (including chiropractors). Second, to show the frequency of the patient's choice of a chiropractor (as opposed to doctors of medicine or osteopathy) as the source of primary health care, the table shows the ratio of the number of patients who saw all types of physicians to the number who saw a chiropractor. Thus, the higher the ratio, the lower the frequency of use of chiropractic services by the group.

TABLE 1.—EXTENT OF USE OF CHIROPRACTORS AND OF ALL PHYSICIANS—BY SELECTED POPULATION CHARACTERISTICS, JULY 1965 TO JUNE 1966

Classification	Percent seeing		Ratio, any physician to chiropractor
	Any physician	Chiropractor	
Total	66.1	2.3	29 to 1.
White	67.4	2.6	26 to 1.
Nonwhite	56.2	.3	187 to 1.
Rural	63.4	3.0	21 to 1.
Urban	67.6	1.9	36 to 1.
Age 65 and over	68.8	2.9	24 to 1.
Age 25 to 64	64.2	3.7	17 to 1.
Under age 25	67.4	.8	84 to 1.
Head of household with:			
Some college	75.8	1.9	40 to 1.
High school or less	63.8	2.4	27 to 1.
Male	62.7	2.4	26 to 1.
Female	69.3	2.2	32 to 1.

Source: For physician data—National Health Survey, series 10, No. 19. For chiropractic data—National Health Survey, series 10, No. 28.

The most definitive conclusion from Table 1 is that chiropractic services are provided predominantly to white people. In the nonwhite population only one out of 187 patients seeing any doctor saw a chiropractor; in the white population one out of every 26 patients saw a chiropractor. Only 0.3 percent of the nonwhite population consulted chiropractors, compared with 2.6 percent of the whites (but 1.2 times as many white as nonwhite persons saw any type of physician). (9) In interpreting this information, it would be useful to know the

number of white as opposed to nonwhite chiropractors, but this information is not available.

The table also shows the following associations between patient characteristics and use of chiropractors:

1. A higher percentage of the urban population saw all types of physicians than of the rural, but rural patients consulted chiropractors more often than urban.(10)

2. By age group, patients age 25 through 64 most frequently consulted chiropractors, with the over 65 age group ranking second. Use of chiropractors for the under-25 age group was relatively infrequent.(11)

3. In families in which the head of the household had some college education, a considerably higher percentage saw some type or physician in the study period—75.8 percent—but only one out of 40 consulted a chiropractor. In families in which the head of the household had a high school education or less, only 63.8 percent saw any physician, but one out of 27 patients consulted chiropractors.(12)

4. A somewhat lower percentage of males than of females saw all types of physicians—62.7 percent compared with 69.3 percent—but males were a little more likely to see chiropractors than females.(13)

To summarize, patients' use of chiropractors was as follows: white patients much more often than nonwhite; the age group 25 through 65 more frequently than the 65 and over age group; the lower education group considerably more frequently than the higher education group; the rural population more than the urban; and males slightly more frequently than females. Data on income groups were inadequate to determine relative frequency of use.(14)

#### CONCEPT AND PHILOSOPHY

In 1895, Daniel David Palmer, a tradesman, founded the system of healing called chiropractic. In his currently used textbook, *The Science, Art and Philosophy of Chiropractic* (1910, republished 1966), D. D. Palmer gives the following account of the discovery of chiropractic:

I was a magnetic healer for nine years previous to discovering the principles which comprise the method known as chiropractic. . . . I had discovered that many diseases were associated with derangements of the stomach, kidneys and other organs. . . . One question was always uppermost in my mind in my search for the cause of disease. I desired to know why one person was ailing and his associate, eating at the same table, working in the same shop, at the same bench, was not. Why? . . . This question had worried thousands for centuries and was answered in September 1895.

Harvey Lillard . . . had been so deaf for 17 years that he could not hear the racket of the wagon on the street . . . I made inquiry as to the cause of his deafness and was informed that when he was exerting himself in a cramped, stooping position, he felt something give way in his back and immediately became deaf. An examination showed a vertebra racked from its normal position. I reasoned that if that vertebra was replaced, the man's hearing should be restored. . . . I racked it into position by using the spinous process as a lever and soon the man could hear as before. . . .

I am the originator, the Fountain Head of the essential principle that disease is the result of too much or not enough functioning [sic]. I created the art of adjusting vertebrae, using the spinous and transverse processes as levers, and named the mental act of accumulating knowledge, the cumulative function, corresponding to the physical vegetative function—growth of intellectual and physical—together, with the science, art and philosophy—Chiropractic. . . . It was I who combined the science and art and developed the principles thereof. I have answered the time-worn question—what is life?(15)

The chiropractic philosophy originated by Palmer is the frame of reference of modern day chiropractic thinking.(16) A brief review of this philosophy will aid in evaluating and understanding the chiropractor's capabilities and activities in practice.

A. E. Homewood, D.C., N.D., of the Los Angeles School of Chiropractic (Dean Emeritus of the Canadian Memorial Chiropractic College) and a member of the ACA's Commission on Standardization of Chiropractic Principles, explains Palmer's philosophy in his book *The Neurodynamics of the Vertebral Subluxation* (published in 1962; submitted by the International Chiropractors Association), the most widely used chiropractic textbook. Palmer put forth the concepts

of Universal Intelligence, Innate Intelligence, and Educated Intelligence. Universal Intelligence is God. Innate Intelligence is the "Soul, Spirit or Spark of Life" or "Nature, intuition, instinct, spiritual and subconscious mind." It is the "something" within the body which controls the healing process, growth, and repair," and "is beyond the finite knowledge." While Innate Intelligence utilizes the autonomic nervous system, the Educated Intelligence or "conscious" utilizes "the cerebrospinal division for the volitional expression of its function." Nature or Innate has a great capacity to maintain or restore health if it is allowed normal expression within the body. However, mental, chemical or mechanical stress can produce a greater or lesser displacement of the vertebra, or vertebral disrelationship, and this displacement interferes with the planned expression of Innate Intelligence through the nerves. This interference then produces pathology. The chiropractor, by correcting the displacement, allows the Innate to effect the cure. (17)

The influence of this philosophy on present day chiropractic is illustrated by this passage from *The Neurodynamics of the Vertebral Subluxation*:

While it is not the purpose of the writer to derogate practitioners of other forms of healing, it is of the utmost concern to awaken an appreciation in the minds of doctors of chiropractic for the heritage left by D. D. Palmer, which provides the basis for the most complete understanding of the patient as a unit of structure and function yet to be devised by man to this date. Many ingenious approaches to the health problems have been thought out carefully, but none seems to be as all-encompassing as the techniques of D. D. Palmer. The chiropractor needs to experience no twinge of inferiority as he views the mottled array of theories, for the founder of the science of chiropractic appreciated the working of Universal Intelligence (God); the function of Innate Intelligence (Soul, Spirit or Spark of Life) within each, which he recognized as a minute segment of Universal; and the fundamental causes of interference to the planned expression of that Innate Intelligence in the form of Mental, Chemical and/or Mechanical Stresses, which create the structural distortions that interfere with nerve supply and thereby result in altered function to the point of demonstrable cellular changes, known as pathology. (18)

#### *Subluxation*

The concept of a vertebral subluxation is central to the chiropractic approach to health care. Dorland's medical dictionary defines subluxation as "an incomplete or partial dislocation." The chiropractic definition is:

*Homewood*: The vertebrae are then within their normal range of motion, although not functioning at their optimum. (19)

*Janse*: A vertebral subluxation may be interpreted as an 'off-centering of a vertebral segment . . .' (20)

*Weiant*: [a subluxation] is a fixation of the joint within its normal range of movement, usually at the extremity of this range. (21)

According to these chiropractic leaders, subluxated vertebrae are characterized by fixation and misalignment, within the normal range of motion. This definition is identical to what specialists in physical medicine and rehabilitation call joint dysfunction:

The range of voluntary movement described in anatomy texts is only part of the range of normal movement at any joint. This range of voluntary movement is entirely dependent on the integrity of a normal range of involuntary movement which I call "joint play." As in machinery, the play in all joints is well defined and without it, or with too much of it, the function of the joints becomes faulty. It must be accepted that the movements in the range of joint play individually are not under the control of the voluntary muscles, and therefore cannot be performed by deliberate muscle action. For this reason, their presence or absence can only be demonstrated by passive joint examination, and if they are absent, they can be restored only in inducing normal movement—which is manipulation. Using the voluntary muscles prevents restoration of joint play. The prescription of exercises alone can only delay this restoration when dysfunction is present. . . .

The presenting symptom of dysfunction is pain either locally in a joint or at some place distant from the joint, but sharing a common nerve supply. (22)

Chiropractors have recognized this similarity. W. D. Harper, M.S., D.C., former Dean and now President of the Texas College of Chiropractic and a member of the ACA's Commission on Standardization of Chiropractic Principles, says:

"This definition [referring to a quotation from James Mennell, an English physician] is quoted to show that the structural concept of the subluxation as an entity and as a fixation within the normal range of motion is also recognized by the medical profession. . . .

"The structural consideration of fixation alone as a definition of a subluxation is not sufficiently strong as a foundation for the Science of Chiropractic. The medical definition is just the same.

"If this alone is used, there is no difference between chiropractic and the medical practice of teaching their graduates in physical medicine the art of adjusting under a medical doctor's prescription and, therefore, no justification for the existence of chiropractic as a separate and distinct science. There has to be more to it. There has to be a reason." (23)

W. D. Harper, M.S., D.C., goes on to say that there is more to it and that the chiropractic subluxation produces nerve irritation whereas the medical subluxation does not.

Many in the medical profession believe that the chiropractic subluxation is actually a disease process in which the joint has lost its mobility and thereby gives rise to pain and loss of function, and some believe that manipulation may restore normal joint mobility and relieve pain. However, research on joint dysfunction and manipulation is not adequate to support a conclusive statement about the existence of this disease process or the efficacy of various treatments.

Chiropractors, on the other hand, believe that the subluxation is the most significant causal factor in disease, because they feel that it interferes with normal nerve function. However, no evidence has been found in the literature, nor has any information been submitted to this study, to prove that a subluxation, if it exists, is a cause of disease.

The chiropractor attempts to move the vertebra with his hands so that it will not interfere with nerve function. It may be that the chiropractor, in this maneuver, is not affecting nerve function but actually is restoring the normal mobility of the joint. In this manner, the chiropractor may in many cases relieve pain and loss of function with the spinal adjustment. Referred pain to other parts of the body from joint dysfunction may be mistaken for a disease process, and when spinal adjustment relieves the pain, this may be thought to be a cure of the "disease."

#### SERVICES OF CHIROPRACTORS

In the following sections of this paper, leading men from each of the chiropractic associations will be quoted extensively. Every effort has been made to quote only those writers who are accepted and respected in the chiropractic community and to quote only from textbooks in current use in the chiropractic schools.

#### SCOPE OF PRACTICE

Since the philosophy of chiropractic is all-encompassing, its practitioners treat nearly every type of illness. In a survey made in 1963 for the American Chiropractic Association, 85 percent of the chiropractors reporting said that they treat musculoskeletal problems most frequently. Approximately 81 percent indicated that conditions other than musculoskeletal ranked first, second, or third among conditions most frequently treated. The table below shows the percentage of chiropractors stating that they generally cared for the conditions listed. (24)

TABLE 2.—Percent of Chiropractors Reporting Treatment of Specified Conditions: 1963

Condition	Percent	Condition	Percent
Headache	98	Impaired hearing	59
Sinusitis	94	Hemorrhoids	58
Constipation	94	Goiter	48
High blood pressure	93	Polio	47
Common cold	92	Diabetes mellitus	46
Asthma	89	Impaired vision	44
Bronchitis	86	Chorea	42
Low blood pressure	86	Rheumatic fever	37
Hay fever	83	Hepatitis	32
Gall bladder	82	Pneumonia	32
Colitis	80	Mumps	31
Diarrhea	79	Acute heart conditions	31
Ulcers	76	Appendicitis	30
Deficiency anemia	73	Pernicious anemia	24
Chronic heart condition	70	Cerebral hemorrhage	18
Genito-urinary	66	Lacerations	12
Mental, emotional	68	Fractures	9
Tonsillitis	67	Leukemia	8
Dermatitis	67	Cancer	7
Hives	60	Diphtheria	4

(The method of obtaining these diagnoses is unknown)

Views of leading chiropractors on the scope of practice appropriate to this discipline are shown in the quotations given below.

A report on a chiropractic research project by Henry Higley, M.S., D.C., of the Los Angeles College of Chiropractic relates the following findings:

"We realize that a large section of the nonchiropractic public appears to assume that chiropractic is confined to the treatment of distresses of the back. They seem to believe that the patients of doctors of chiropractic are limited to those suffering from sciatica, torticollis, and similar conditions affecting the musculature of the back. The careful compilation of patient data from the 1953 records of our chiropractic clinic shows that well over sixty-five different pathologies [e.g., gastrointestinal problems, genitourinary problems, cardiovascular problems, anemia] were represented. The case reports so far collected for the academic year 1962-63 indicate that they will also represent a large variety of pathologies. Those who are, or have been, in active practice, recognize the varied pathologies met in chiropractic practices, but now we have statistical data to confirm their experience." (25)

Hugh Logan, D.C., founder of Logan Basic College of Chiropractic, in his currently used textbook *Logan's Basic Methods*, 1950, (submitted to the study by the ACA) makes the following statements:

"Inflammatory conditions such as appendicitis, ovaritis, or even neuritis, in their acute stages may be instantly relieved or entirely corrected by a few adjustments. . . . Other acute conditions such as colds, pneumonia, etc., can be put in nearly the same category with appendicitis and ovaritis as far as prognosis is concerned. (26)

"High blood pressure, especially when due entirely to an increased resistance to the flow of blood through strained muscle fibers, may be lowered rapidly and immediately through a corrective Basic Technique adjustment. (27)

"In the case of pain resulting from burns, we have yet to fail to bring about almost complete, let us say seventy-five to ninety percent, reduction of pain in any case coming into our hands within an hour or less after the injury occurs. The possibility of blistering or scarring of tissue also is nullified to a large degree by prompt application of Basic Technique. (28)

"Regarding tumors, I would say that benign or innocent tumors may be eliminated without great difficulty when the normal functional processes of muscle tissue are restored. In the case of malignant tumors, our prognosis must be guarded, more favorable of course in the inceptive than in the advanced stages. (29)

"If Basic Technique can do these two things, then--ease the discomfort of delivery, and provide for the more nearly normal contour and vitality of the newborn, we would say that its application is specifically indicated in pregnancy." (30)

A. E. Homewood, D.C., N.D., makes the following statement in his book, *The Neurodynamics of the Vertebral Subluxation*, 1963, the most widely used chiropractic textbook:

"Experience has established the fact that the administration of chiropractic adjusting is efficacious in handling both the acute and chronic cases of coronary occlusion, but no button has been located either theoretically or clinically, that may be pushed in every patient to make the correction." (31)

Joseph Janse, D.C., President of the National College of Chiropractic and Chairman of the ACA's Commission on Standardization of Chiropractic Principles, in the second most widely used chiropractic textbook, *Chiropractic Principles and Technique*, 1947, states:

"TECHNIC FOR TONSILS.—*Indications.*—This technique is used when the tonsils are slightly inflamed. . . . After sterilizing his finger, the doctor places the finger tip on the inflamed tonsil. . . . he strokes downward using a slight pressure. The amount of pressure to be used is determined by the tolerance of the patient." (32)

In *Chiropractice Procedure and Practice*, 1965 (submitted to this study by the ACA) by Otto Reinert, D.C., Director of the Department of Chiropractic Technique, Logan College of Chiropractic, the following description is found:

"CRANIAL ADJUSTING . . . In the adult, the effects of this technique are usually of a temporary symptom-reducing nature but the dramatic results produced in the relief of headache, sinus congestion, some types of deafness and eye conditions, and other conditions affecting the head, justify our attention to this technique and our understanding of its application. In babies and young children prior to the age of five, before the fontanelles have substantially ossified, improvement has been wrought in spastics and similar cases of intracranial congenital injury." (33)

James Firth, D.C., Ph.C., former professor at Lincoln Chiropractic College, in his currently used textbook *Chiropractic Diagnosis*, 1948 (submitted by ACA), states:

"Definition—Acute diffuse peritonitis is an acute inflammation of the peritoneum characterized by fever, pain, and prostration.

"Adjustment—The adjustment in acute peritonitis varies in accordance with the location of the primary lesion. Discoverable nerve interference from the 8th dorsal to the lower lumbar region should be corrected." (34)

A report by the Palmer Clinic submitted to the study by the ICA states:

"The B.J. Palmer Chiropractic Clinic presents these case records to demonstrate the effectiveness of Chiropractic with cases medically diagnosed as multiple sclerosis, encephalitis or sleeping sickness, hydrocephalus, epilepsy, sciatica, cirrhosis and cancer of the liver, and tumors. It is hoped these records will benefit both the chiropractor and any interested lay person who may chance to read them." (35)

While giving testimony before the Ad Hoc Consultant Group of the U.S. Public Health Service in November 1968, H.R. Frogley, D.C., Dean of Academic Affairs, Palmer School of Chiropractic, was asked the following question: "Do you think if an acute appendicitis were identified early enough in the disease process that chiropractic can cure it?" (36) His reply was: "Yes, I do, I say this strictly from experience. I don't say it from only my experience but from the experience of all who practice. . ." (37)

In *Opportunities in a Chiropractic Career*, 1967 (submitted by the ICA), produced with the cooperation of both chiropractic associations, the following is found in the chapter entitled "A Typical Day at the Chiropractor's Office."

"In what follows the names used and the situations depicted are all fictitious. The account has been prepared, however, by a chiropractor of more than 40 years' experience. He has drawn upon his recollections of his own days in practice and his wide contacts with professional colleagues to reconstruct what might be considered a fairly typical day in the professional life of the chiropractic doctor. . . ."

"11:45 A.M. The doctor hurries to the home of the little girl with a fever. By now she has broken out with a skin rash. He arranges the cushions on a firmly upholstered day-bed to improvise a chiropractic table, places the little patient in the appropriate position, locates the point where adjustment is needed and delivers the adjustment, all the while ingratiating himself with the little girl in a joking fashion. The fever begins to subside right away. . . ."

"The afternoon goes along much like the morning. Fourteen patients have appointments: a woman who recently had a gall bladder attack, a young boy who is an epileptic, a clerk with a stiff neck, another low-back case, a six-year old bed-

wetter, a high school boy with acne, a garage mechanic suffering from bursitis of the shoulder, a young woman with painful menstruation, a teen-age girl with a rheumatic heart, a middle-aged woman with spinal arthritis, a woman with a severe head cold, a man who is constipated, a woman who is too fat, and another whose thyroid gland is over-active." (38)

Thus, although chiropractors see more patients with musculoskeletal problems than any other kind, it is apparent that they consider themselves competent to treat a wide variety of illnesses. This belief stems largely from their philosophy or approach to health and disease. As a result of this belief, chiropractors do not limit their practice to the care of patients with musculoskeletal problems but instead undertake the treatment of other patients representing a broad spectrum of diseases.

#### APPROACH TO DIAGNOSIS AND TREATMENT

Chiropractic methods are derived from its philosophy, involving the role of the Innate in the curative process, and of subluxations as the ultimate causal factor in disease. The result is an approach quite different from that of conventional medicine and osteopathy, as shown in the following quotations about the role of diagnosis:

"For the chiropractor, diagnosis does not constitute, as it does for the medical doctor, a specific guide to treatment. It is not a major goal of the doctor of chiropractic to specifically name a disease. He does not look upon diseases as an entity to be combated. For him disease is a process; it is physiology gone wrong. The problem is to ascertain why it has gone wrong, and what needs to be done to right the wrong. This is a goal not attainable by routing [sic], conventional, diagnostic methods. (39)

"Because of the emphasis constantly being placed upon diagnosis by the medical profession, it is difficult for the average lay person to realize that the chiropractor need not diagnose and therefore diagnosis is unimportant to him." (40) Thus, instead of making a diagnosis in terms of a specific disease, the chiropractor's chief interest is in making a diagnosis in terms of what vertebra is subluxated and producing "interference with normal nerve transmission and expression." (41) This type of diagnosis is made through the use of chiropractic or spinal analysis which consists of palpation and X-ray of the spine. The importance of spinal analysis in chiropractic practice is explained by Janse:

"It is impossible from the spinal analysis alone to make a diagnosis of the nature of the disease. What the spinal analysis determines is that disease of a certain organ exists; the special examination of the organ then establishes the exact nature of the disease.

"For example, detection of a subluxation at the fourth thoracic segment determines the fact that there is disease of the liver, but whether the disease is cancer or congestion it is impossible to state; only the special examination of the liver and the general symptom complex can determine this.

"A thorough understanding of the above principle makes the diagnosis of disease in certain parts of the body extremely accurate, and the palpation of the vertebral column for the detection of subluxations is one of the most valuable aids at our command, in the making of a correct diagnosis." (42)

Because the chiropractic approach to treatment is so greatly influenced by its philosophy, the main therapeutic concern is to correct the subluxation, either to prevent pathology from occurring or to allow the normal flow of Innate Intelligence so that nature can effect a cure. The subluxation is corrected by an adjustment or dynamic thrust to the appropriate vertebrae. This adjustment consists of a quick, "specific, and purposeful movement manually delivered." (43) Also, if there is stress in the soft tissue, which can produce a subluxation according to chiropractic philosophy, these tissues are adjusted directly to correct the subluxation.

It should be pointed out here that many chiropractors do not believe that a subluxation is the only cause of disease, that spinal analysis is the only diagnostic tool, or that the chiropractic adjustment is the only valid treatment. The following quotations from chiropractic books and statements submitted to this study indicate some recognition of other elements in the cause and cure of disease.

"Fundamentally, chiropractic recognizes that while many factors impair man's health and his inherent tendency toward recovery from disease, disturbances of the nervous system are among the most important factors of disease etiology." (44)

"Diagnostic Aides [include] x-ray machine (spinal x-rays), skin temperature recording instruments, general equipment such as otoscope, ophthalmoscope, stethoscope, and sphygmomanometer, reflex hammer [and the use of various laboratory tests]." (45)

It is impossible from the spinal analysis alone to make a diagnosis of the nature of disease. . . . only the special examination [of an organ] . . . and the general symptom complex can determine this. (46)

In contrast to both of these kinds of doctor [doctors of medicine or osteopathy], the doctor of chiropractic gives no medicine and practices [sic] no surgery. This is not because he feels that he has the answer to *every* health problem and believes that drugs and surgery are never necessary. (47)

However, the concepts of the subluxation and of the spinal analysis and adjustment form the basis of chiropractic thinking and activities; they are greatly emphasized over other concepts of diagnosis and treatment and disease causation.

The chiropractic way offers the safest, sanest, and most promising approach to the great majority of human ailments. (48)

In the broad field of prophylaxis, chiropractic has no peer. It remains for the chiropractic profession to educate the general public to the availability of such a complete and encompassing mode of health care. (49)

The future augurs well for the continued proof of his [D.D. Palmer's] contentions and the recognition that chiropractic is a method without equal in the correction of the majority of visceral and somatic health problems. (50)

Of all the causes of disease, there is one which is more universally present than any other, and that is subluxation of vertebrae. (51)

The conflict of chiropractic with other concepts of health and disease, especially concerning treatment, is illustrated by the following quotations from textbooks currently used in chiropractic schools. The authors are leaders in chiropractic education and in the professional associations.

James Firth, D.C., Ph.C., in his textbook, *Ciropractic Diagnosis*, described the chiropractic treatment of influenza:

"Since there are several forms of influenza, the adjustment will vary according to the form. In all forms the middle and lower dorsal areas should be adjusted. In the respiratory form, middle or lower cervical or upper dorsal should be included. . . . In the nervous or cerebral form the upper cervical region should be included." (52)

A. E. Homewood, D.C., N.D., in *The Neurodynamics of the Vertebral Subluxation*, states:

"The doctor of chiropractic is well aware of the presence of bacterial and concedes that these minute organisms play a role in many diseases He would, however, emphatically deny that micro-organisms are THE cause of the diseases with which they are associated. . . ." (53)

J. Robinson Verner, D.C., in his currently used textbook *The Science and Logic of Chiropractic*, 1956, states:

"Fear often plays a vital part in rabies. Many bites would not be serious and possibly do no damage at all if it was not for the additional factor of fear. It is because of this fear that many otherwise minor cases are fatal." (54)

The preface of the currently used textbook *Rational Bacteriology*, 1953, by C. W. Weiant, D.C., Ph. D. (Dean Emeritus of the New York Institute of Chiropractic and a member of the ACA's Commission on Standardization of Chiropractic Principles), J. R. Verner, D.C., and R. J. Watkins, D.C., reads as follows:

"This Outline is written with two objects in mind. It aims, first of all, to give to the student and the drugless practitioner those basic facts and principles of bacteriology which underlie the hygiene of the communicable diseases and sanitation, which create an appreciation of the true role of bacteria in disease, and which make possible the interpretation of diagnostic laboratory reports. Incidentally, this is the knowledge usually required to pass a state board examination in the subject."

"The book has, however, a second a more important object, namely, that of making public some of the outstanding results of medical and bacteriological research of the past few years which undermine the whole germ theory of disease causation and the practices of serum and vaccine therapy or prophylaxis based thereon. It is hoped by the authors that this material, all of which will be found carefully authenticated, may speedily become of service not only to professional groups, but to all laymen, especially parents and educators, who are interested in having the truth prevail." (55)

The authors, in presenting some chiropractic theories related to bacteriology, advise chiropractic students as to those passages that are not acceptable for State board examinations, as shown in the first paragraph below:

## REMARKS (ON THE SIGNIFICANCE OF STREPTOCOCCUS)

"These remarks are not a part of the accepted medical ideology, but are comments of evaluation which become clearer throughout this book. Thus it is well to keep them apart from state board examinations.

"It will be noted that streptococcus pyogenes is an organism of low resistance. Women in childbirth appear to be especially susceptible to streptococcus infections via the genital tract, but there is every reason to believe that this bacterium is a normal inhabitant of the skin and mucous membranes, since it can nearly always be found on these tissues in healthy people. It is often spoken of as a 'secondary invader.' We might interpret this to mean that it is not until the body has been decidedly weakened by some such condition as diphtheria or bronchopneumonia, that bodily resistance against streptococcus breaks down. . . . The streptococcus is not a basic factor in pathogenesis." (56)

"Both gonorrhea and cerebro-spinal meningitis respond readily to non-medical methods." (57)

"Tuberculosis is not contagious in adults." (58)

"Diphtheria antitoxin and toxoid are both not only worthless in practically every case but also virulent and injurious in all cases." (59)

James Firth, D.C., Ph. C., in his textbook describes the chiropractic treatment of leukemia:

"Since the blood forming tissues are innervated by the sympathetic division of the vegetative nervous system, the indicated adjustments are in the dorsal area of the spine. Inspection, palpation, nerve tracing, and X-ray study are of assistance in determining the location of nerve interference." (60)

Thus, the chiropractor's approach to health and disease is radically different from that of osteopathy and medicine.

Although osteopathy began in a manner very similar to chiropractic, with emphasis on structural relationships as the cause of all disease, it has since broadened its approach to health and disease until now it recognizes and uses all the knowledge and methods of the medical and other health professions.

## MANPOWER

Nearly all chiropractors are in solo practice. Both the ICA and ACA report no members practicing in hospitals. (61) The ACA reports 85.4 percent of its members in general practice and 14.6 percent in specialties (roentgenology, orthopedics, nutrition, physiotherapy). (62) Between 17,000 and 19,000 of these practitioners are in the United States, with 15,000 to 17,000 in active practice. (63)

Almost 40 percent of the chiropractors in the United States are located in five States; about 20 percent are in California, 8 percent in New York, 6 percent in Texas, and 5 percent in Missouri. (64) It is sometimes thought that chiropractors are located in rural areas and are therefore in a better position to provide service to the rural population; however, no data are available to demonstrate this. (65)

## QUALITY: INDICATORS

In the health care field, as in many other fields, the capacity to give good quality service can be correlated with the quality of the education of practitioners, as well as the quality and extent of research upon which practice is based.

*Description of Chiropractic Schools* (66)

There are 12 chiropractic schools in the United States. The Palmer College of Chiropractic in Davenport, Iowa is the oldest and largest, with a 1967 enrollment of 936. In 1962, 25 percent of chiropractors reported they had graduated from this college; another 25 percent had graduated from either the National College of Chiropractic in Chicago or the Lincoln Chiropractic College in Indianapolis, Indiana. (67) The total 1967 enrollment in ten of the schools was 2,273; data are not available from the other two.

Appendix C (Selected Data on Schools of Chiropractic), gives selected data on the various schools.

All the schools offer the Doctor of Chiropractic degree (D.C.). At least four schools offer a bachelor's degree, which is obtained by acquiring 60 hours of college credit and 60-68 hours of credit from the chiropractic college.

The Palmer College also offers the Philosopher of Chiropractic degree (Ph. C.). H. R. Frogley, D.C., Dean of Academic Affairs at Palmer, explains this program as follows: ". . . the Ph.C. program is not, never has been, and should not be

compared to the Ph.D. degree of the liberal arts colleges. Rather, it is a program to encourage the graduate Doctor of Chiropractic to develop deeper convictions and understandings of the chiropractic premise by reading, practical experience and assistant teaching, and then to express his thoughts regarding the philosophy of chiropractic in a brief thesis. We do not have an indepth research opportunity attached to this program . . ." (68) Other chiropractic colleges also offer post-graduate courses.

The U.S. Office of Education and the National Commission on Accrediting do not recognize any accrediting agency for schools of chiropractic. However, the two chiropractic associations each have an accrediting program. Schools accredited by either the American Chiropractic Association or the International Chiropractors Association are listed in Appendix C (Selected Data on Schools of Chiropractic), together with selected data about their faculties.

All chiropractic schools offer a four-year course (at least 4,000 hours) which leads to the D.C. degree. The first two years deal mainly with basic science subjects with some outpatient clinical experience at the end of the second year. The last two years are devoted mainly to chiropractic subjects and outpatient clinical practice. There is no inpatient or hospital training.

Most chiropractic schools include in their organizational structure a division of basic sciences or preclinical subjects and a division of clinical or chiropractic sciences. The basic science divisions usually have departments of anatomy, physiology, chemistry, nutrition, microbiology, public health, and pathology.

The clinical divisions are more variable in their substructure. The teaching of chiropractic and diagnosis is the chief emphasis of these divisions and at least seven of the schools have a department of chiropractic and a department of diagnosis. All the schools have courses in chiropractic principles and techniques, and in roentgenology.

All of the schools teach pediatrics, obstetrics and gynecology as part of the standard curriculum. At least ten of the schools teach public health. Nine of the colleges have dermatology and nutrition as part of the regular course of study. Psychiatry, psychology and first-aid are taught in at least eight schools. At least seven schools teach geriatrics, six teach toxicology and orthopedics, five teach neurology, four teach ophthalmology, otolaryngology, endocrinology, physiotherapy and minor surgery, three teach syphilology and one teaches diagnostic cardiology.

Of the 10 schools that list textbooks in their catalogs or self surveys, all make extensive use of standard medical textbooks, especially in the teaching of basic sciences. Such books as *Gray's Anatomy*, Zinsser's *Microbiology*, Bloom and Fawcett's histology textbook, Boyd's pathology textbook, Dorland's *Medical Dictionary*, Noyes and Kolb's psychiatry textbook and Cecil and Loeb's medical textbook are frequently listed.

There is no one textbook written by the chiropractic profession that is used in all the schools. The most commonly used chiropractic textbook is A. E. Homewood's *The Neurodynamics of the Vertebral Subluxation*, 1962. Other textbooks written by members of the chiropractic profession and used in their schools are listed in Appendix C (Chiropractic Textbooks Cited).

The libraries of the various schools are small, the average number of volumes being 4,454 and periodicals about 55.

From the course titles mentioned earlier, it is evident that the same types of subjects are being taught at schools of chiropractic, medicine and osteopathy, and that chiropractic students are being trained to function as primary sources of patient care—as "physicians." Therefore, qualitative evaluation of their educational system must compare these schools with medical and osteopathic schools.

Medical school courses leading to the M.D. degree also are four years long, with basic sciences during the first two years, followed by outpatient and inpatient training combined with classroom work during the last two years. Medical students then take a 12-month hospital internship and most take a one to five year residency before starting independent practice. (69) Osteopathic programs are similar. In 1966-67, the number of volumes in the average medical school library was 98,824, and periodicals averaged 1,684. (70)

#### EVALUATION OF CHIROPRACTIC EDUCATION

The discipline has undertaken educational evaluation. For example, in 1964, Dewey Anderson, Ph.D., at that time Director of Education for the ACA, presented a memorandum giving a thorough and objective evaluation of chiropractic schools. The memorandum is quoted in this section.

Some basic data on faculties of the chiropractic schools are shown in Appendix C (Selected Data on Schools of Chiropractic), and Table 3. Appendix C (Selected Data on Schools of Chiropractic) shows that the average student/faculty ratio for chiropractic schools is 19 to 1 (1965-68) whereas for medical schools it is 1.7 to 1 (1966-67).

A review of self-evaluating surveys of the schools reveals that many faculty members with only a D.C. degree teach many totally different subjects. This was true, for example, of at least 11 of the 18 faculty at National College. One professor had taught such varied subjects as physical and clinical diagnosis, pathology, dermatology, clinical neurology, ophthalmology and dietetics, while another had taught pathology, anatomy, chemistry, physiology, psychology, and public health.

TABLE 3.—DEGREES HELD BY FULL-TIME FACULTY MEMBERS OF SCHOOLS OF CHIROPRACTIC COMPARED WITH MEDICAL SCHOOLS

Degree	- Number <sup>1</sup>	Percent <sup>1</sup>
<b>Faculties of chiropractic schools (N=112):</b>		
Doctors of chiropractic	105	94.0
Doctorates (3 doctors of osteopathy)	4	3.5
Master's	12	10.7
Bachelor's	50	44.6
Associate degrees	4	3.5
<b>Faculties of medical schools (N=19,296):</b>		
Doctors of medicine	13,277	69.0
Other doctorates (5,654 are Ph. D.'s)	5,803	30.0

<sup>1</sup> Adds to over 100 percent because some hold more than 1 degree.

Source: Self-surveys of 8 schools 1965, 1966, or 1967; medical faculty roster, division of operation studies, American Association of Medical Colleges, 1966-67.

Data on degrees held by faculty members, along with student/faculty ratios and deans' degrees shown in Appendix C (Selected Data on Schools of Chiropractic), raise grave doubts about the basic preparation of the graduates, despite the titles of the courses offered by the schools. This serious concern is reflected also by Dewey Anderson, Ph.D. in his evaluation; he summarizes the faculty deficiencies as follows:

"Proportionately too many part time instructors; too few giving their major professional time as fully employed faculty members engaged in instruction, administration, and research. Too many instructors teaching the basic sciences without having had any advanced or graduate training in these sciences. Too many instructors not trained or qualified as teachers nor masters of their fields, resulting in slavish devotion to textbook teaching and instruction considerably below the level of post-college professional education."

"Teaching loads of those who do give full time to their schools are usually too heavy to allow much needed outside preparation or research. Membership and participation in professional, scientific or learned societies is almost nonexistent. Nor is there any substantial program of faculty-student research which forms the lifeblood and growth of the other professions." (71)

All schools except Palmer require at least a high school diploma for admission, but four of the schools require only a C average in high school. The Palmer catalog mentions no specific mandatory requirement for admission. Northwestern requires two years of college. Since September, 1968, the National, Lincoln and Los Angeles schools have required two years of college for admission. Very few of the students have college level degrees. For example, approximately 2 percent of those at the Los Angeles College of Chiropractic had bachelor's level degrees, 5 percent at Lincoln and 5.8 percent at Texas. In contrast, 84 percent of students entering medical school have bachelor's degrees or higher, and 91 percent of medical students had a B average or higher in college. (72)

About the quality of the student body, Dr. Anderson's evaluation comments:

"Students sit on the other end of the "log of learning" and no matter how fast and well the faculties are upgraded to professional school level the crux of chiropractic education rests with the quantity and quality of students. . . ."

"Numbers in and of themselves will not solve your educational and professional problems. One of the most serious handicaps under which the schools labor now is that of trying to teach at the post-college professional level students who for the

most part have not gone beyond high school, and who in high school were not in the upper half of their classes. For many of them a professional college course is too difficult to master. This results in downgrading instruction so that they can pass the courses, and this happens all too frequently, or in dropouts, which is wasteful and an unsatisfactory blemish on the educational process." (73)

#### CHIROPRACTIC RESEARCH

The lack of chiropractic research is recognized. For example, Dr. Anderson, in his evaluation of the chiropractic schools, emphasized the great need in this area:

"As for a body of faculty-student research so badly needed by the profession, this will take considerably longer for most colleges, although a few among them can produce noticeable research results within two years. Again, it is a matter of making funds available for this purpose. Here, too, the convention must act if it chooses to benefit by a solid body of research, the lack of which is one of the most glaring weaknesses of chiropractic, causing a distorted public image leading to much misunderstanding and considerable failure in practice." (74)

The lack of research is due to a number of factors. Certainly the lack of funds is one. However, considering the qualifications of the faculties of chiropractic schools, it seems unlikely that most faculty members with the qualifications listed would have the capability to undertake basic research. Another major reason for the lack of research is that the chiropractic philosophy has led to a deemphasis on research since the chiropractor believes he already knows "basic truths and principles" (75) and since "Innate" is thought to be beyond finite knowledge. The following quotations from chiropractic authors illustrate this:

"Many of these latter theories do not stand with the light of present day knowledge, yet the teaching of D.C. Palmer will be found consistent with the facts of our present stage of intellectual insight and are likely to be found capable of withstanding investigation in the light of new knowledge yet to be discovered—for these are basic truths and principles. (76)

"The adjusting of each and every articulation of the human frame was stressed by Dr. Palmer in a number of places in his text, as follows, "It is, or should be, the business of the Chiropractor to restore to normal position any displaced portion of the bony framework . . ."

"What more could any doctor require of his science? What more has science, metaphysics or religion to offer the conscientious would-be healer?" (77)

"They [the phenomena of life] can be never be fully comprehended by such procedures as experimenting with tissue cultures, photographing the revelations of the electron microscope, or working out the details of molecular exchanges across cell membranes. Laboratory investigations can yield only partial truths, obtained in artificial settings far removed from the context of nature." (78)

The little research that is done seems to be directed at proving that D.C. Palmer's teachings were right, rather than taking an objective look at all possible causes of disease. The following quotation illustrates this:

"In an effort to formulate a satisfactory basis for study of chiropractic principle and theory, and substantiate the rationality of chiropractic techniques for the treatment of human misery and disease, the author has leaned heavily upon the basic principles established by the founder of the science and art of chiropractic and made a diligent effort to scan the literature of biological science to cull from it the anatomical, physiological and other basic science facts which assist us in understanding the mechanism by which chiropractic methods bring relief to suffering humanity." (79)

As part of this study, the chiropractic associations were asked to supply evidence of the scientific basis for chiropractic. The ICA discussed the chiropractic theory generally and supported their contentions with four research studies. The first study, entitled "Belgian Chiropractic Research Notes," presents observations and opinions of various chiropractors, chiefly concerned with the mechanics of subluxations and their correction. (80) The second study, entitled "Electrocardiographic Changes," attempts to present EKG evidence of improvement of various heart conditions after adjustment; the group categorized as having no manifestation of heart disease showed the greatest improvement, although "improvement was not defined." (81) The third study, entitled "Audiometric Changes," purports to show that a chiropractic adjustment improves hearing. Hearing acuity was measured before and after adjustment; no other variables were considered. Of the total cases, 581 showed improvement and 359 became worse. (82) The fourth study was entitled "Neurocalometer, Neurocalo-

graph, Neurotempometer." This study attempts to demonstrate the effectiveness of chiropractic with eight cases, which are presented with testimonials or letters from the patients.

No other reasons for improvement, or the possibility of spontaneous remission, were considered. Patients were said to have multiple sclerosis, encephalitis or sleeping sickness, hydrocephalus, epilepsy, sciatica, cirrhosis, and cancer of the liver and tumors, although these diagnoses were not documented and symptoms of two patients seemed to indicate a different diagnosis from the one given. Improvement often was based on the findings of an instrument called the neurocalometer, which detects differences in skin temperature and is claimed to detect nerve interference. What indicates improvement according to this instrument is not defined, but is reported in terms of the neurocalograph reading being better or worse. The patient said to have tumors still was having the same pain for which she had entered the clinic, but there was "no indication of consistent return of original sick pattern" on the neurocalograph. (83) One patient, said to have epilepsy, seemed to get much worse. After his drugs was discontinued and he was started on spinal adjustments, his seizures increased in frequency from 5 a day to 150 a day. He then improved, but still was not seizure-free a year later.

The ACA, like the ICA, started their documentation of the scientific basis of chiropractic with a general discussion of the theory, quoting from 22 books, 2 monographs, and 19 articles. In the section on research they provided several documents in their entirety. Most of this evidence related to spinal mechanics, back problems, and the possibility of referred pain from the vertebra. The only document submitted to this study in its entirety that related to a broader application of chiropractic was entitled "Physiology of Subluxation." (84) This was a review of the literature, rather than a research study. Some of the research cited was questionable; for example, great emphasis was placed on an animal study done on two rabbits, one the control and one the subject. There was no conclusion in this paper that a subluxation was a significant cause of disease.

Of the 22 books and 19 articles quoted, only 5 might be considered studies concerned with the possibility of a subluxation producing disease, and most are from the osteopathic literature. None of these states or implies that a subluxation is the most important cause of disease with universal application, nor do they show that it is a significant cause. (85)

#### SUMMARY: CHIROPRACTIC EDUCATION AND RESEARCH

##### *Education*

Two notable features of the chiropractic educational system should be mentioned: first, the wide range of the courses, which indicates an effort, in principle at least, to give to students a basic knowledge similar to that of medicine and osteopathy; and second, efforts at self-improvement, as indicated in Dr. Anderson's evaluation and in the accreditation programs of the two professional associations.

However, significant shortcomings in chiropractic education include:

1. Lack of inpatient hospital training;
2. Lack of adequately qualified faculty;
3. Extremely low admission requirements for students;
4. Lack of a nationally recognized accreditation body;
5. Such dissension within the profession that two separate accreditation programs must be maintained.

These shortcomings raise serious doubts as to the qualifications of chiropractors generally to make an adequate diagnosis and effectively treat patients. The doubts are compounded when seen in the light of the chiropractic philosophy, which has been shown to deemphasize proven factors in the causation of disease and the necessity for differential diagnosis and for therapy other than manipulation. Thus, it appears doubtful that improvement in the educational program can proceed, despite efforts in that direction, until:

1. The need for differential diagnosis and forms of therapy other than manipulation is recognized;
2. Fully qualified, *specialized* faculty are available to teach the scientific courses.

##### *Research*

Some difficulties are encountered by nonchiropractors in evaluating chiropractic research. One is that the nonchiropractor looks for documentation of diagnosis, the accuracy of which is central to the validity of the research; but to the chiropractor, naming the disease is not so important, as mentioned in an

earlier quotation, since subluxation is considered the cause of the illness. This raises the problem of definitions, since the nonchiropractor may not understand the chiropractor's interpretation of this causal relationship. Measurements of "improvement" also present problems, the nonchiropractor looking for specific indices to show improvement. In one chiropractic study, improvement is shown in terms of readings on a "neurocalograph," an instrument that is not used for this purpose in other disciplines. Finally, tests of statistical significance are difficult to apply to chiropractic research, due to small study samples.

#### CURRENT STATUS OF CHIROPRACTIC

The previous sections of this report make it clear that chiropractors function as physicians, caring for a wide range of human ills and practicing independently without supervision. They do not function as technicians or as paramedical personnel. As stated by Harry Rosenfield, Counsel for the ACA, in his testimony before the Ad Hoc Consultant Group of the Public Health Service in November 1968, "Chiropractic is not an additional service to be added to Medicare not already included. It is an alternate form of providing services already approved by [for] M.D.'s and D.O.'s. . ." (86)

Since the U.S. Supreme Court is the ultimate arbiter of constitutional law in the United States, its decision on chiropractic is a significant measure of the current status of the profession. In 1965, the Court ruled that the Equal Protection Clause of the Fourteenth Amendment of the U.S. Constitution does not bar a state from requiring chiropractors to have medical school degrees. Thus it upheld a lower court ruling, which said: "If the education obtained in chiropractic schools does not meet the standards of . . . the United States Office of Education, it may well be that the Legislature of Louisiana felt that in the public interest a diploma from an approved medical school should be required of a chiropractor before he is allowed to treat all the human ailments chiropractors contend can be cured by manipulation of the spine." (87)

#### SPECIAL STUDIES OF CHIROPRACTIC

The decision made by other governments concerning chiropractic is also a measure of its current status. In 1965, Justice Lacroix of the Superior Court of Quebec was asked by the Quebec government to undertake a comprehensive independent scientific study of chiropractic and to resolve the question of the scientific basis of chiropractic. (88)

The Canadian Royal Commission on Health Services made the following comments about the high quality and objectivity of this report:

"We have consulted with Mr. Justice Lacroix and are convinced that the investigation being made by him is an impartial and thorough one. Justice Lacroix's inquiry is still proceeding. His findings and recommendations will be formulated only after this volume has been completed.

"We believe that the report and findings of Mr. Justice Lacroix will be definitive and have application not only to the situation in Quebec but throughout the rest of Canada. Pending the report and findings of Mr. Justice Lacroix, we recommended in Volume I that the medical services benefit should include chiropractic treatment when prescribed by a physician. We do not wish to make any recommendation to include chiropractic treatment as a health service under our programme beyond this until the Quebec Report is available." (89)

Justice Lacroix's research team studied in detail chiropractic theory, chiropractic education, chiropractic practice, and all legislation on chiropractic. His study was not confined to Canadian chiropractors, but covered all facets of chiropractic in other countries, especially the United States and Europe.

The study included visits to the chiropractic colleges in Canada and the United States, visits to Europe to evaluate the status of chiropractic in that region, evaluation of thirty-one briefs submitted by various groups, and a review of the literature. Public hearings were also held and numerous interviews undertaken.

Findings of this report were as follows:

1. The technique of manipulation used by chiropractors is to be retained, because it is effective and can produce beneficial results in cases where correctly indicated. It has besides been an integral part of hospital medicine for about twenty years, although traditional medicine, while accepting the technique, absolutely rejects the chiropractic doctrine.

2. The essential condition for this therapeutic method to produce effective, beneficial results and to be used without danger, is that it be used only in cases

indicated by a sound and complete differential diagnosis. However, the training given in chiropractic schools does not prepare them for such differential diagnosis which, moreover, in Quebec, does not seem to be considered necessary for the practice and purposes of chiropractic.

Furthermore, several of the methods required for differential diagnosis, are not used by chiropractors, either because the law forbids it, or because they themselves consider, on their own account, here in Quebec, that these methods are useless for chiropractic diagnosis (which does not need to be as complete and extensive as that of the physician).

We are therefore of the opinion that, in view of the present state of the course of study and training received by chiropractors and given their conception of diagnosis, they are not qualified to make a differential diagnosis, which we consider to be an imperative preliminary to manipulative treatment.

3. Treatment by manipulation is difficult and dangerous. It may not therefore be administered except by people with long and adequate specialized training in this technique.

Whether they are doctors, chiropractors or osteopaths, they must in each case have become specialists in the field of the spinal column.

The preponderance of the evidence received indicates definitely that the teaching of this technique [manipulation] is not part of the medical curriculum and we believe that chiropractors, who have taken a long course in an accredited school, may have received instruction and training giving them a sounder preparation for the administration of this spinal therapeutic method than the physician who, in spite of his medical studies, has not been taught it.

It remains to be determined, in view of the requirements of differential diagnosis, whether this administration of treatment by those who are not doctors requires to be controlled and, if so, what should be the nature of the control. (90)

Additionally:

1. It appears well established that the general requirements for entrance to colleges of chiropractic, recognized by various Canadian and American legislation, are decidedly too liberal, and inadequate to guarantee a calibre of student sufficiently well-prepared and trained to take effective advantage of the instruction in theory corresponding to that given at the university level.

2. The courses of study in basic science, although inferior in content to those of North American medical faculties, nevertheless seem adequate to offer a general training, but one may receive the impression that these courses as designed at present, do not aim to take the student beyond this general training nor to prepare him adequately to make a differential diagnosis. The reason for this is perhaps because chiropractors do not use these basic sciences as a foundation for their therapeutic methods or chiropractic procedure.

On the other hand, the course of clinical instruction in chiropractic technique or procedure is certainly of high quality. However, it is organized solely in terms of the skill to be acquired in the use of the technique and is not directed towards the knowledge required in differential diagnosis.

3. The training required of teachers is definitely inferior to that required of teachers in medical faculties or science faculties of recognized universities. The result is that the calibre of teachers is inevitably average or lower still in some cases, for a great many, if not the majority, possess only a B.Sc. and have no valid experience in scientific research.

A great number of these teachers are chiropractors who have received training in basic sciences of very little value.

4. Finally, either because of difficult financial circumstances or the indifference of the States and Provinces where the practice of chiropractic has nevertheless been legalized, or perhaps also on account of the constant and strongly demonstrated opposition of the medical profession in these Provinces or States, it is evident that the physical organization that we saw in some institutions, and had verified in addition by others, has weaknesses and deficiencies which, except perhaps for the clinical instruction in chiropractic technique itself, are likely to affect the quality and value of the training.

It may be objected that we have verified existing conditions in only three colleges, but nevertheless these three colleges are accredited by the National Chiropractic Association (now the American Chiropractic Association), and therefore are deemed to satisfy the standards demanded for the efficient training of a chiropractor. (91)

In 1960, the Stanford Research Institute (92) undertook a study of chiropractic in California. The study concentrated on five areas:

1. a general description of chiropractic
2. a study of the use of chiropractic
3. a survey of chiropractic practices and facilities
4. a description of chiropractic diagnostic and therapeutic electrical apparatus
5. a study of chiropractic educational institutions.

Data were gathered in the following manner:

1. Review of literature and requests for information from the California Department of Public Health, State Board of Chiropractors, and other official agencies.
2. Interviews held with 500 chiropractors in the State.
3. Visits to schools for:
  - a. Review of files
  - b. Classroom evaluation
  - c. Laboratory evaluation
  - d. Interviews with all students and faculty members.

The following conclusions were reached in this study:

1. The number of chiropractic practitioners and students is declining.
2. Chiropractors, although comprising the second largest group of healers, serve less than one-thirtieth of the market for healing services.
3. There is a high degree of internal dissension among chiropractors.
4. Chiropractic education has not succeeded in obtaining financial support from its own practitioners, from its friends, or from government sources. (93)

#### POSITIONS ON CHIROPRACTIC

Various forms of recognition have been accorded chiropractors. It should be noted that recognition has not been based on a judgment as to the validity of chiropractic theory. Chiropractic students receive Federal funds under programs established by the GI Bill of Rights. Chiropractors are reimbursed under Title XIX (Medicaid) in 15 States. Medicaid is a State administered program, although Federal funds are granted to the States. Because Medicaid defines medical assistance as including all medical and remedial care covered under State law, States may choose to cover chiropractic service. The Internal Revenue Service permits income deductions for chiropractic fees and the U.S. Immigration Service admits chiropractic practitioners outside of quotas. Foreign students also are permitted to attend chiropractic schools approved by the Attorney General. These do not have to be accredited schools. Chiropractic services qualify for indemnification under most State Workmen's Compensation Acts and under a great many insurance policies. (94)

Chiropractic has failed, however, to receive recognition by some important agencies and programs. The U.S. Office of Education and the National Commission on Accrediting do not list as accredited any of the chiropractic schools. (95) Chiropractic students are not deferred under the selective service system. Chiropractic practitioners are given no special status or rank in the armed forces and their services are not utilized. The U.S. Employee's Compensation Bureau does not reimburse chiropractic practitioners for their services.

#### STATE LICENSURE OF CHIROPRACTORS

Chiropractors are licensed specifically in 45 States. In 3 States and the District of Columbia, licensing of chiropractors is included under a general "medical practice" or "drugless healing" act. Chiropractors are not licensed in Mississippi and Louisiana. Licensure generally is considered a means of protection for the public, rather than as official recognition of the licensee.

Other than use of drugs or surgery, State licensing laws place no specific restriction on diagnostic methods a chiropractor may use of the illnesses he may treat, except in New York. Certain treatment methods are forbidden in various States, e.g., the administration of drugs is specifically prohibited in 38 States; surgery in 37 States and the District of Columbia; obstetrics in 37 States; X-ray treatment in 10 States; physiotherapy in 4 States; electrotherapy in 3 States; dietetic therapy in one State. One State permits the practice of minor surgery and another midwifery. Thirty State laws specify that chiropractors can sign death certificates and 18 do not permit it. Six State laws mention that chiropractors are allowed to sign birth certificates, but in 3 others this is specifically forbidden.

All the States and the District of Columbia require a written examination for licensure. Examinations are judged by various State boards. Thirty-eight State examiner boards are composed entirely of chiropractors and 4 others have a majority of chiropractors. Of the 6 States and the District of Columbia that have a minority of chiropractors on the board, 3 will accept a certificate from the National Board of Chiropractic Examiners in lieu of the written State board examination. (96)

Twenty-four States require a basic science certificate in addition to passage of a State board examination. (97) Most States require four years of chiropractic college for licensure: one State requires two years and another three years. Twenty-five States and the District of Columbia require two years of undergraduate college, 3 States require one year of undergraduate college, and 19 States require a high school education. (98)

It is apparent, therefore, that State licensing laws do not restrict the scope of chiropractic practice since they do not infringe upon chiropractic philosophy or approach to health and disease. A practitioner operating under the chiropractic philosophy has no interest in the use of major surgery or drugs and therefore a prohibition against these treatments does not alter his mode of practice.

#### CONCLUSIONS AND RECOMMENDATIONS

1. There is a body of basic scientific knowledge related to health, disease, and health care. Chiropractic practitioners ignore or take exception to much of this knowledge despite the fact that they have not undertaken adequate scientific research.

2. There is no valid evidence that subluxation, if it exists, is a significant factor in disease processes. Therefore, the broad application to health care of a diagnostic procedure such as spinal analysis and a treatment procedure such as spinal adjustment is not justified.

3. The inadequacies of chiropractic education, coupled with a theory that de-emphasizes proven causative factors in disease processes, proven methods of treatment, and differential diagnosis, make it unlikely that a chiropractor can make an adequate diagnosis and know the appropriate treatment, and subsequently provide the indicated treatment or refer the patient. Lack of these capabilities in independent practitioners is undesirable because: appropriate treatment could be delayed or prevented entirely; appropriate treatment might be interrupted or stopped completely; the treatment offered could be contraindicated; all treatments have some risk involved with their administration, and inappropriate treatment exposes the patient to this risk unnecessarily.

4. Manipulation (including chiropractic manipulation) may be a valuable technique for relief of pain due to loss of mobility of joints. Research in this area is inadequate; therefore, it is suggested that research that is based upon the scientific method be undertaken with respect to manipulation.

#### *Recommendation*

Chiropractic theory and practice are not based upon the body of basic knowledge related to health, disease, and health care that has been widely accepted by the scientific community. Moreover, irrespective of its theory, the scope and quality of chiropractic education do not prepare the practitioner to make an adequate diagnosis and provide appropriate treatment. Therefore, it is recommended that chiropractic service not be covered in the Medicare program.

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[osteopaths, chiropractors, naturopaths] to be situated in the larger cities." The report by Batten and Associates, *Chiropractic Survey and Statistical Study* on page 33 states that 17 percent of chiropractors were in communities of 5,000 or smaller, 71 percent were in communities of 10,000 or greater, 56 percent were in communities less than 50,000 and 30 percent were in communities greater than 100,000. Unfortunately, the term "community" was not defined.

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- Besides the state boards of examiners, there is also a National Board of Chiropractic Examiners which maintains close relations with the state boards. The National Board periodically conducts examinations in both the basic sciences and the principles and practice of chiropractic. They are held simultaneously in different parts of the country. Candidates who are successful in these examinations are exempt from further examination by state boards in those states which recognize the National Board. At present, the following states come under this category, and others are expected to make similar provision as soon as the necessary legal technicalities can be complied with: Alabama, Alaska, Arkansas, Colorado, Delaware, Florida, Hawaii, Idaho, Kansas, Kentucky, Maine, Missouri, Nebraska, Nevada, No. Dakota, New Hampshire, Pennsylvania, So. Dakota, Texas, Vermont, Wyoming.
- This is a highly encouraging development. It tends to standardize licensure requirements and, of course, provides a wide range of options to the holder of a National Board certificate. The exemption applies not only to the state boards of chiropractic examiners, but also to the separate science boards in those states which have them.
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## APPENDIX B

## STATEMENT BY THE INTERNATIONAL CHIROPRACTORS ASSOCIATION

In summary of our request for chiropractic inclusion in Medicare, we would like to say that because millions of Americans are cared for by doctors of

chiropractic prior to retirement and reduction of income, it is only fair to them that the federal government make provisions for continuation of their care. We must be aware of the financial burden placed on the elderly who presently maintain health through chiropractic care, and who have no financial recompense through the Medicare program.

The question seems to focus on the fact that whether it be one elderly person or one-million elderly persons, since these citizens are free to select the doctor of their choice prior to retirement, then we are restricting this freedom after retirement when we do not make this choice available without financial restriction.

Most certainly, the elderly person who is trying to maintain a home, health and a reasonable standard of living on a reduced income is forced to make sacrifices upon retirement. We would remind the committee that by including chiropractic in Medicare, we will not be responsible for forcing this person to neglect his or her health.

And we would remind the committee that this is not a lessening problem. With present population trends and the continued growth of the chiropractic profession, more and more people will be asking the question, "How do I continue under chiropractic care when my income level has been so drastically reduced and my Medicare provisions are not sufficient?"

We would offer the following statements from authorities in the field of insurance administration as a basis for our contention that chiropractic care can be included in Medicare without an increase in cost to the elderly.

"It has been determined in a study of the three year period involved that an average of 1.263% of the premium dollar has been the actual claims cost of inclusion of chiropractic in our contract with the United States Government under the Federal Employees Health Benefits Act.

"Actually I am very happy that you asked for this study because we have been quite concerned relative to the necessity some three years ago of putting restrictions on the total number of visits per year for chiropractic service. As you know we are firm believers that chiropractic is definable only as adjustments by hands only of the spinal column. You also are aware of the fact that we experienced considerable difficulty in claims submitted containing medical diagnosis and for services that were not definable in the scope of chiropractic as we understand it and accept it. I firmly believe that a liberalization of our contract with the United States Government under the Federal Employees Health Benefits Act can come about if assurance is given that the element of your profession that has elected to base its interpretations upon State Law rather than within the true scope of chiropractic as we believe the American Public desires it can be convinced. Certainly if this can be accomplished it should allay many of the difficulties now being experienced with the uninformed and unrealistic attitude of some of the medical profession."—CHARLES L. MASSIE, *President, Government Employees Hospital Association, Inc.*

"We understand that the International Chiropractors Association is seeking recognition by the Department of Health, Education, and Welfare to treat Medicare patients. We are in accord with your efforts. We believe that there is a definite place for the service of a chiropractor in the treatment of Medicare patients, as long as they confine treatment to the field that they are licensed.

"Just a word about our Association. Our Association was organized as a non-profit benefit Association under the Insurance Code of the State of Washington in 1942. Our Association recognizes all state licensed practitioners as long as they confine their practices to the field to which they are licensed.

"About 15% of our members use the services of chiropractors and believe that they are receiving service that is beyond the medical doctor to treat, to which we will agree. As to cost, we find that in the majority cases the expense is a savings to both the carrier as well as the patient. In most cases the patients can continue their activities while under treatment and do not have the added expense of buying drugs.

"As stated above we believe that the chiropractor has a definite place in today's society and should be recognized by the Department of Health, Education, and Welfare to treat Medicare patients as long as they confine their practice to the field to which they are licensed."—GEORGE HOLT, *Manager, Snohomish County Beneficial Association.*

*The Chiropractic Plan in Health and Welfare* recommended by International Chiropractors Association is described below:

"Health programs designed by labor and management should concern themselves with the total good health and welfare of their members."

"Providing proper chiropractic services and care is fast becoming a part of the over-all program of essential health services."

"International Chiropractors Association introduces this Plan offering chiropractic and chiropractors to care for the needs of labor and management in health and welfare plans."

"In 1895 chiropractic was ushered onto the scene of the healing professions. Today, it is reliably estimated that 35 million Americans alone depend and take advantage of chiropractic's unique contribution of spinal analysis and spinal adjustment resulting in better health through release of pressures or interferences on the nervous system due to vertebral subluxations and misalignments.

"Many health plans include chiropractic services. Some of the plans participating in the Federal Employees Health Benefit Programs include chiropractic services. Most industrial accident plans administered by the states recognize and utilize chiropractic services. In addition over 500 insurance carriers regularly pay claims for chiropractic services delivered to their policyholders."

"International Chiropractors Association will furnish a list of available, responsible chiropractors for use in health and welfare contracts in the area of need."

"International Chiropractors will also furnish adequate cost control mechanisms so that maximum benefit may be obtained for the dollar spent."

"It is our recommendation that chiropractic services be included in existing plans at no extra charge or additional payment by union or management."

"We feel from experience gained that the addition of chiropractic services in health plans will not cost but will actually pay by less loss of time by the worker and less cost to the employer by those in need of chiropractic services."

"If desirable, other plans are available. In some plans the union welfare fund pays an annual per capita charge entitling all members to chiropractic care under the program. In this type of a plan, reduced charges for dependents of Union members is available."

"We recommend that chiropractic services provided by health and welfare contracts be confined to the following areas:

- (1) Spinal analysis through the use of proper analytical instrumentation, X-rays, to determine the structural relationship of the spine.
- (2) Spinal adjustments to release nerve pressures or interferences.
- (3) Spinal instrumentation to determine release or presence of subsequent nerve interferences or disturbances.
- (4) Periodic spinal check-up to maintain the nervous system free of pressures or interferences.

"International Chiropractors Association will furnish, and, through review committee procedure, supervise an adequate fee schedule for quality work and cost control."

"The following is a fee schedule which is recommended:

"*Spinal Adjustments* for employees and dependents, Five Dollars (\$5.00) per adjustment with a maximum limit of One hundred fifty dollars (\$150.00) for adjustments of the same condition during any twelve consecutive months."

"*Spinal Instrumentation Including X-Rays* for analytical purposes for employees and dependents not covered under any Workmen's Compensation or occupational disease law will be paid under the allowances for special charges without requiring hospital confinement when authorized by a doctor of chiropractic. The maximum amount for an employee or any dependent of an employee, of such analytical procedures arising out of the same condition during any twelve (12) consecutive months' period will be seventy dollars (\$70.00)."

"The cost may vary slightly in different areas but is basically sound from a working procedure."

"Features of the chiropractic plan:

- (1) Quality control exercised.
- (2) Cost control maintained.
- (3) Standards high.

(4) World Wide Insurance Review Committees maintained by the International Chiropractors Association for review of disputed or contested claims.

"Services excluded from all benefits under this plan:

- (1) Services of the chiropractor compensable under Employer Liability Laws or Workmen's Compensation.

- (2) Surgery, in any form or degree, when performed by a chiropractor.
- (3) Physiotherapy, electrotherapy or hydrotherapy when performed by a chiropractor.
- (4) Vitamin therapy prescribed by a chiropractor.
- (5) Administration of drugs in any manner when prescribed by a chiropractor.

"Though the youngest in terms of years of the four major health professions classified by the Bureau of Budget, Washington, D.C., chiropractic has adequately proven its worth in the restoration and maintenance of health. Thirty-five million Americans attest to this fact."

"Due to demand for adequate cost control, the finest quality of service, and proper confined scope of practice, this chiropractic plan is offered in the interest of better health for those insured in health and welfare plans."

The chiropractic profession has evinced some difficulty with insurance carriers; however, this difficulty is always traced back to a similar source; the failure of the insurance company at the initiation of inclusion to restrict and confine chiropractic claims to spinal analysis, x-ray analysis and spinal adjusting.

"As the time approaches for changes to be cleared through the U.S. Civil Service Commission for the new contract year of 1967, I feel the following information would be of value to you for consideration.

"Our placing a limitation on the number of adjustments (30 per year) has drastically reduced the incident of abuse that we were confronted with prior to this stipulation. However, we are still confronted by medical and physiotherapy claims submitted by chiropractors.

"It seems strange to me as a plan administrator that many chiropractors cannot and do not confine their activities to their special area of practice, namely spinal analysis and spinal adjustments. Why must they engage in the practice of diagnosis, medical treatments, medical practices, and the work of the physiotherapist. We are already paying for these services under the medical provisions of our program. Chiropractors have a separate service to render to be recognized as a separate profession, and only through such do they warrant inclusion.

"To this date we have never had a claim submitted by a medical doctor or physiotherapist for spinal adjusting. Why is it that some members of your profession feel that they must indulge in other professional practices when they do have a *real specific service* to render in their own field. Is it possible they have little or no faith in chiropractic; our experience has shown a real service rendered by your profession in spinal analysis and spinal adjusting, and only in this do we have faith in chiropractic.

"If our actuarial experience proves favorable as it appears at present, we may be able eventually to remove the restriction of 30 adjustments per year for chiropractic services. However, if chiropractors continue to present medical claims, diagnostic claims, physiotherapy claims and claims we know are outside the chiropractic field of practice, serious consideration must be given to withdrawing chiropractic benefits from our Plan. We sincerely hope that this will not become necessary.

"The valuable service of your organization in providing a claim review procedure and advising as to the proper scope of practice of chiropractic has been most helpful. For this we are deeply appreciative. If all chiropractors practiced within this scope we would have very few problems and it would most certainly hasten the day when all health benefits contracts would include chiropractic, this giving the American public the right of selecting the form of healing arts most beneficial to their health."—CHARLES L. MASSIE, President, *Government Employees Hospital Association, Inc.*

International Chiropractors Association requests that Medicare provisions be confined to a reasonable scope of practice. Following, as an example, is the present fee schedule of the United Rubber, Cork, Linoleum and Plastic Workers of America (AFL-CIO) for its membership and dependents.

Maximum chiropractic service in any one calendar year, for each individual:

1. Spinal x-rays and spinal analytical instrumentation, \$75.00.
2. Spinal adjustments to correct subluxations and misalignments, \$250.00.
3. Sixty percent (60%) of above fees for members of the employee's immediate family.

**Note.**—Chiropractic services are confined to the instrumentation needed to arrive at a proper spinal analysis and the care necessary to release nerve pressures caused by spinal subluxations and misalignments.

Presently, International Chiropractors Association is cooperating with the Health Insurance Council of America.

The Association has established regional claims offices and representatives throughout the United States in order to assist in the adjudication of claims.

The doctor of chiropractic offers a separate and distinct health service to the elderly; spinal analysis and adjusting. Medicine, physiotherapy, psychotherapy and mechanotherapy are all available to the elderly as performed by competently educated and licensed medical doctors, physical therapists, psychologists, psychiatrists and osteopaths.

We would recommend:

- (1) Chiropractic inclusion in Medicare.
- (2) Strict confinement of chiropractic care to spinal analysis and adjustment in the restoration and maintenance of health.

These provisions can be made at no increased cost to the federal government or to the elderly, and in fact may reduce Medicare costs.

The inclusion would assure the public of freedom of choice and ethical chiropractic care.

#### I. THE DISCIPLINE

##### A. Definition

Chiropractic is a study of problems of health and disease from a structural point of view, with special consideration given to spinal mechanics and neurological relationships.

All states (other than Louisiana and Mississippi) have statutes recognizing and regulating the practice of chiropractic as an independent health service. In 1929 the Congress of the United States passed a law for licensing of chiropractors in the District of Columbia.

The practice of chiropractic is officially recognized in six of the provinces of Canada, in Switzerland and in West Germany, and is acknowledged and accepted in the Scandinavian countries, France, Italy, the British Isles, Australia, New Zealand, South Africa, Rhodesia, and Japan.

##### B. Scientific Theories and Principles of Chiropractic

Chiropractic is built upon three related scientific theories and principles:

###### *1. Disease may be caused by disturbance of the nervous system*

While many factors impair man's health, disturbances of the nervous system are among the most important factors of disease etiology. The nervous system coordinates cellular activities for adaptation to external or internal environmental change. Environmental agencies and conditions which irritate the nervous system, and to which the body cannot successfully adapt, produce fluctuations in the frequency of nerve impulses deviating from the norm. Thus originate many diseases.

###### *2. Disturbance of the nervous system may be caused by derangements of the musculo-skeletal structure.*

Off-centerings (subluxations) of vertebral and pelvic segments represent a common mechanical pathology in man, the biped. Extended abnormal involvement of the nervous system may result from disturbances, strains and stresses arising within the musculo-skeletal system due to man's attempt to maintain this erect posture. The mechanical lesion, or "subluxation," is a common result of gravitational strains, asymmetrical activities and efforts, and developmental defects. Once produced, the lesion becomes a focus of sustained pathological irritation which may trigger a fullfledged syndrome of severe nerve root irritation or compression.

###### *3. Disturbances of the nervous system may cause or aggravate disease in various parts or functions of the body.*

Vertebral and pelvic subluxations may be involved in common functional disorders of an organic visceral and vasomotor nature, and at times may provoke phenomena that relate to the special organs. Under predisposing circumstances almost any component of the nervous system may directly or indirectly cause reactions within any other component, by means of reflex mediation.

The conjunction of independent causes of bodily dysfunction may jointly have more serious debilitating effect than either cause might have had separately. Subluxation may contribute to the "triggering" or exacerbating of migrainous types of headaches, asthmatic syndromes, and certain types of neurovascular and nerovisceral instabilities. Often correction of the spinal lesions is an imperative toward effective total management of the case.

## C. The Practice of Chiropractic

### 1. The Role of Diagnosis

In general diagnosis plays the same role in chiropractic as in all the healing arts, the basis for determination of the treatment.

(a) *Interview*.—The initial interview and consultation with the patient is of utmost importance. Every measure of observation that will more substantially profile the patient is employed and recorded.

(b) *Physical Examination*.—The Doctor of Chiropractic conducts a systematic and thorough physical examination using the methods, techniques, and instruments that are standard with all health professions. In addition, he includes a postural and spinal analysis, an innovation in the field of physical diagnosis and examination.

(c) *Diagnostic Aids*.—The Doctor of Chiropractic uses the standard procedures and instruments of physical and clinical diagnosis and is well acquainted with the need for differential diagnosis. Diagnostic radiology, especially as it relates to the skeletal system, is a primary clinical diagnostic aid in chiropractic.

(d) *Laboratory Tests*.—Doctors of Chiropractic are knowledgeable in the standard and the special clinical laboratory procedures and tests usual to modern diagnostic science. Each ACA-accredited college has a laboratory licensed to carry on clinical laboratory examinations, including such fields as cytology, chemistry, hematology, serology, bacteriology, parasitology, and EKGs.

### 2. Treatment Methods.

Chiropractic treatment methods are determined by the scope of practice authorized by State Law. Chiropractic methods do not include the use of drugs or surgery.

(a) *The Chiropractic Adjustment*.—The most characteristic aspect of chiropractic practice is the correction (reduction) of the subluxated vertebral or pelvic segment or segments, by means of making a specific chiropractic adjustment. The purpose of this adjustment is to normalize the relations of segments within their articular beds and relieve the attendant neurological and vascular disturbances.

(b) *Dietary and Nutritional Supplementation*.—Vitamin and mineral food supplementation can, if professionally supervised, serve to prevent the onset or assuage the existence of some types of dysfunction of the nervous system.

(c) *Physiotherapeutic Measures*.—Physiotherapy is used as an adjunctive therapy to enhance the effects of the chiropractic adjustment.

## D. Contributions of Chiropractic to Health Field

### 1. New Knowledge

Chiropractic has developed new areas of knowledge, and refined other areas, in the clinical aspects of human biology, physiology and anatomy, as they relate to the mechanics of the spine and pelvic areas and to their interrelation with the nervous system.

### 2. New Techniques

*Diagnostic*: spinal palpation, soft tissue palpation, postural evaluations, inspection for asymmetries, variation testing, and spinography.

*Therapeutic*: The chiropractic adjustment, corrective manipulation, aspects of spinal traction, heel and sole lifts, and sleeping aid facilities.

### 3. New Approaches to Health

Chiropractic regards disease processes as a result of the multiplicity of factors among which structural abnormalities and their effect upon the neurological component play important roles in relation to abnormal functional performance. Disturbances of the neurological components at one area may extend to other areas. Because of the body's structural and functional interrelationship, a structural disturbance may induce or aggravate disturbances in other organs, systems and body areas. Chiropractic's approach is to the total person.

## II. THE PROFESSION

### A. Doctors of Chiropractic

1. There are some 23,400 Doctors of Chiropractic in the U.S.
2. The greatest number of Doctors of Chiropractic are in independent private practice. ACA membership surveys indicate that 85.4% are in general practice, and 14.6% in the specialties (roentgenology, orthopedics, nutrition, physiotherapy).

3. A survey of annual income showed an annual income for Doctors of Chiropractic of \$14,000 in 1962.

4. All Federal agencies accept sick leave certificates signed by Doctors of Chiropractic, and fees paid to Doctors of Chiropractic are allowable deductions as expenses for "medical care" for Federal income tax purposes.

5. Chiropractic has relationship with third party payers such as commercial insurance companies, workmen's compensation agencies and medicaid under Title XIX of the Social Security Act.

#### *B. Chiropractic Patients*

1. In 1963-64, 4 1/4 million persons consulted a Doctor of Chiropractic or 2.3% of the civilian noninstitutional population.

2. Most chiropractic patients are afflicted with involvements of the musculo-skeletal system.

#### *C. The American Chiropractic Association*

1. ACA is an national non-profit professional organization with ties and affiliations to state chiropractic associations; ACA has a staff of some 45 members. Its income comes from dues, its Journal and convention exhibits.

2. ACA conducts the customary professional and other activities of a national health professional association.

3. As of June 1, 1968, ACA has 7,327 members.

4. ACA's Councils, include : Education, Roentgenology, Technic, Mental Health, Orthopedics and Physiotherapy.

5. ACA has a Code of Ethics and established disciplinary procedures (State associations also have such codes and procedures.)

### III. CHIROPRACTIC EDUCATION

#### *A. Chiropractic Schools*

Eight chiropractic schools are either fully, conditionally or provisionally accredited by the ACA, and one other is affiliated, but unaccredited.

The eight schools had 2,110 graduates between September 1960 and June 1967. Their total enrollment in 1967-68 was 1,192 students.

Chiropractic colleges require a minimum of four academic years of professional resident study (not less than 4200 clock hours), including clinical experience under strict supervision. For a major part of two years the chiropractic student is educated in anatomy, biochemistry, microbiology, pathology, physiology, public health, diagnosis and X-ray, clinical disciplines, related health sciences, and chiropractic principles and practice. The remaining two years are devoted to practical or clinical studies dealing with the diagnosis and treatment of disease with approximately half of the time spent in the clinic.

The validity of a Doctor of Chiropractic (D.C.) degree is attested by the United States Office of Education in its publication entitled "Academic Degrees" (p. 169).

#### *B. Accreditation Procedure*

1. ACA has established a five-member Committee on Accreditation.

2. The accreditation process involves :

(a) Self-Evaluation by school of every facility, program and procedure, and all personnel (including students).

(b) Committee's study of self-evaluation report.

(c) On-campus study by an evaluation team composed of two members of the Committee (who are not alumni of the visited institution), two experienced science processors from recognized universities, and ACA's Director of Education (who formerly was president of two non-chiropractic colleges).

(d) Committee's study of report of evaluation team, and decision in Committee meeting.

#### *C. Accreditation Requirements*

1. There is a "Standard Basic Curriculum." (See Exhibit IV, A, 3, p. 32 of full document).

2. Prescriptions are set for faculty qualifications, faculty-student ratios, and physical plant.

3. Entrance requirement : at least two years of college work.

## IV. MEDICARE

**A. Basic Principles****1. Freedom of Choice**

Congress mandated two overriding principles in the very first two sections of the medicare law:

**"PROHIBITION AGAINST ANY FEDERAL INTERFERENCE,"** (Sec. 1801)

**"FREE CHOICE BY PATIENT GUARANTEED,"** (Sec. 1802)

Therefore, a medicare beneficiary should be free to choose the services of a licensed health professional and the States should have freedom to license health services.

State laws provide as follows:

(a) Chiropractic is a recognized health profession licensed in 48 states, the District of Columbia, and in Puerto Rico. In 1966 a study by the U.S. Public Health Service classified chiropractors among "medical specialists and practitioners," including pediatricians, obstetricians, and ophthalmologists, among others. Public Health Service's **HEALTH MANPOWER SOURCE BOOK** includes Doctors of Chiropractic along with physicians, surgeons and dentists.

(b) Within the scope of practice authorized by the States, a Doctor of Chiropractic provides a health service which is alternate to that provided by a Doctor of Medicine or a Doctor of Osteopathy for benefits already authorized under medicare. Therefore, within State-authorized scope of chiropractic practice, a patient may freely and legally choose the health service of a D.C. as an alternate to the health services of an M.D. or a D.O.

Consequently, where medicare authorizes a patient to choose professionals already specified in the law for health services for an ailment or condition, that patient should also be authorized full freedom of choice to obtain health services from any Doctor of Chiropractic licensed by State law to provide health services for that same ailment or condition.

**2. Continuity of Health Services**

Medicare should enable its beneficiaries to continue receiving legally permissible health services which they obtained prior to medicare eligibility. Title XIX of the Social Security Act (Medicaid) already authorizes Federal matching of State expenditures for chiropractic services. As a result, at least 17 States now provide chiropractic services under Medicaid. Thus, the medically indigent can obtain chiropractic health services under Medicaid (Title XIX), but the medically self-sufficient *cannot* obtain chiropractic health services under Medicare (Title XVIII), although they voluntarily pay for medicare benefits.

However, the continuity under medicare of prior chiropractic services in Medicaid is threatened by a provision that takes effect in 1970, that a State *must* "buy into" medicare for all of its Medicaid beneficiaries eligible for medicare. Thus as soon as a Medicaid patient becomes eligible for medicare, he will be automatically cut off from all chiropractic services.

This same discontinuity of chiropractic services strikes medicare beneficiaries who, prior to medicare eligibility, obtained chiropractic services financed out of non-Federal funds, such as personal funds, health and accident policies, the workmen's compensation programs of 48 States, and job-provided health plans.

**B. The Crisis in Health Manpower**

The crisis in health manpower emphasizes the public interest in assuring medicare coverage for chiropractic health services.

Chiropractic can play a major role in alleviating this crisis:

1. There were 23,409 active D.C.s in 1965, compared with 305,115 M.D.s and D.O.s according to the Public Health Service.

2. Farm and rural families are especially in need of chiropractic services:

(a) A major Public Health Service study indicated statistically a greater orientation of D.C.s to rural and non-urban America than is true of other health professions.

(b) The President's National Advisory Commission on Rural Poverty reported that only 12% of M.D.s are located in rural areas.

(c) ACA's estimate is that in 1968 60% of D.C.s were located in communities with a population of 50,000 or less.

The omission of chiropractic from medicare will adversely affect the national interest in at least three ways:

1. It will spread the health crisis to the millions of Americans receiving chiropractic health care.

2. It will exacerbate the crisis for patients of other health professionals to whom chiropractic patients will have to turn, thus further overloading such other health services.

3. It will most seriously damage those parts of the United States already most endangered by the health crisis, *e.g.*, the rural and non-urban areas of America.

#### V. CONCLUSIONS AND RECOMMENDATIONS

##### CONCLUSIONS

1. Medicare's statutory principles of "Freedom of Choice" and "Prohibition Against Any Federal Interference" require that medicare patients should be free to choose chiropractic health services to the extent that such services are authorized by State law.

2. The interest of medicare patients in the continuity of legally authorized health services obtained prior to medicare eligibility requires that they be enabled to obtain chiropractic services under medicare.

3. The public interest in coping with the crisis in health manpower requires that medicare patients be authorized to obtain the health services of Doctors of Chiropractic to the extent authorized by State Law.

4. Equity and public policy require that the medically self-sufficient should have the same right to chiropractic services under medicare that the medically indigent already have under medicaid.

##### RECOMMENDATIONS

*The ACA respectfully recommends that, as the U.S. Senate voted overwhelmingly in 1967, the medicare law be amended to include the services of a Chiropractor with respect to functions which he is legally authorized to perform as such by the State in which he performs them.*

##### APPENDIX C

##### SELECTED DATA ON SCHOOLS OF CHIROPRACTIC

School	1967 enrollment	Full-time faculty	Student-faculty ratio	Dean's degree <sup>1</sup>
<b>"Accredited" by ACA:</b>				
Chiropractic Institute of New York (New York City).....	100	10	10 to 1.....	Ph. D. (law).
Columbia Institute of Chiropractic (New York City).....	139	(2)	(2).....	(2)
Lincoln Chiropractic College (Indianapolis).....	155	16	12 to 1.....	BA.
Logan College of Chiropractic (St. Louis, Mo.).....	218	9	25 to 1.....	None.
Los Angeles College of Chiropractic (Glendale, Calif.).....	203	17	12 to 1.....	Do.
National College of Chiropractic (Chicago).....	349	18	17 to 1.....	MA.
Northwestern College of Chiropractic (Minneapolis).....	49	5	10 to 1.....	None.
Texas Chiropractic College (Pasadena, Tex.).....	100	7	14 to 1.....	BA.
Western States Chiropractic College (Portland, Oreg.) (affiliated with ACA; not accredited).....	24	(2)	(2).....	BA.
<b>"Accredited" by ICA:</b>				
Cleveland Chiropractic College (Los Angeles).....	(2)	(2)	(2).....	Do.
Cleveland Chiropractic College (Kansas).....	(2)	(2)	(2).....	Do.
Columbia Institute of Chiropractic (accredited by both agencies).....	(139)	(2)	(2).....	(2)
Palmer College of Chiropractic (Davenport, Iowa).....	936	30	31 to 1.....	MA.

<sup>1</sup>Highest degree other than Ph. C. or D.C.

<sup>2</sup>Not accredited.

Source: Self-surveys of 8 schools, 1965, 1966, 1967, or 1968.

##### CHIROPRACTIC TEXTBOOKS CITED

The following textbooks are currently used in one or more of the chiropractic schools accredited by either the International Chiropractors Association or the American Chiropractic Association. Other chiropractic textbooks are in current use in the various schools; however, according to school surveys done by Palmer College and the ACA and the school catalogs, the first 5 books listed below are used most frequently.

Textbook	Schools used at	
	As the principal book of a course	As a reference textbook
1. "The Neurodynamics of the Vertebral Subluxation," A. E. Homewood, D.C., N.D., 1962 (submitted by ICA).	Institute of New York, Logan, Los Angeles, National, Northwestern, and Texas.	Lincoln.
2. "Chiropractic Principles and Technic," Joseph Janse, D.C., R. H. Houser, D.C., and R. F. Wells, D.O., D.C., 1947.	National, Northwestern, Texas and Western.	Do.
3. "The Chiropractors Adjuster or the Science, Art and Philosophy of Chiropractic," D. D. Palmer, 1910 (republished 1966).	Columbia Institute and Texas...	Logan and Northwestern.
4. "Chiropractic Principles and Practice," Janse, Houser, Wells.	Institute of New York and Los Angeles.	Logan.
5. "Textbook of Logan Basic Methods," Hugh B. Logan, 1950 (submitted by ACA).	Columbia Institute and Logan...	Lincoln.
6. "Chiropractic Diagnosis," James N. Firth, D.C. Ph.C., 1948 (submitted by ACA).	Lincoln and Logan.....	
7. "Rational Bacteriology," J. R. Verner, C. W. Weiant, R. J. Watkins, 1953.	Canadian Memorial and Texas (1964-65).	Texas (1967-68).
8. "The Science and Logic of Chiropractic," J. Robinson Verner, 1956.	Los Angeles and Western.....	
9. "Anything Can Cause Anything," W. D. Harper, M.S., D.C., 1964.	Texas.....	Northwestern.
10. "Chiropractic Procedure and Practice," Otto C. Reiner, D.C., 1962 (submitted by ACA).	Logan.....	

Source: See footnote 66.

(The following letter was received by the committee from Secretary of Labor Shultz:)

U.S. DEPARTMENT OF LABOR,  
OFFICE OF THE SECRETARY,  
Washington, November 14, 1969.

Hon. WILBUR D. MILLS,  
*Chairman, Committee on Ways and Means,*  
*House of Representatives,*  
*Washington, D.C.*

DEAR MR. CHAIRMAN: You will recall that at the hearings on the proposed Family Assistance Plan objections have been voiced to the requirement that women heads of families with school age children be required to accept training and work.

In this connection, you may be interested in some unpublished figures from the Bureau of Labor Statistics, which indicate that a substantial proportion of all mothers are already working. As of March 1968, half of all women with children of school age (including 47 percent of those who still have a husband and two-thirds of those without a husband) were in the labor force.

Some of the mothers who were working were employed only part time—less than 35 hours a week. Nevertheless, seven out of ten working mothers of school age children (including more than four out of five without husbands) worked full time. Stated in another way, of all mothers of school age children, a third worked full time; of all women without husbands but with school age children, over half (about 55 percent) worked full time.

Various factors influence a mother's decision to work, but the overwhelming reason is economic. Almost nine out of every ten mothers state that they were working for economic reasons ranging from sheer need to support self and family to particular needs such as to buy a house, pay for medical care, or a child's education.

In other words, the proposed legislation would not force welfare mothers to follow a course that is contrary to patterns already adopted by a large number of women in the United States and by a majority of those who are without husbands.

Should you have any questions about this information, please do not hesitate to get in touch with me or with Assistant Secretary Rosow.

Sincerely,

GEORGE P. SHULTZ,  
*Secretary of Labor.*

Enclosure.

LABOR FORCE PARTICIPATION RATES OF EVER-MARRIED WOMEN, BY PRESENCE AND AGE OF CHILDREN, MARCH  
1968 (WOMEN 16 YEARS OF AGE AND OVER)

Presence and age of children	Ever married	Married, husband present	Other marital status <sup>1</sup>
Total.....	38.5	38.3	39.0
Mothers, with children under 18 years.....	39.4	36.9	60.0
With children 6 to 17 years only.....	49.7	46.9	67.8
With children 6 to 11 years only.....		43.7	
With children 12 to 17 years only.....		50.6	
With children under 6 years <sup>2</sup> .....	29.2	27.6	47.6
With children 3 to 5, none under 3 years <sup>2</sup> .....	35.9	34.0	54.1
With children under 3 years <sup>2</sup> .....	24.8	23.4	42.3
Women without children under 18 years.....	37.6	40.1	33.4

<sup>1</sup> Includes widowed, divorced, and married husband absent.

<sup>2</sup> May also have older children.

Source: U.S. Department of Labor, Bureau of Labor Statistics. Unpublished data. (Prepared by the Women's Bureau Nov. 6 1969.)

(The following statements were received by the committee:)

**WRITTEN STATEMENT OF WILLIAM G. COLMAN, EXECUTIVE DIRECTOR, ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS**

Mr. Chairman, early this year, in a study of State aid to local governments, the Advisory Commission dealt with the issues surrounding the intergovernmental financing aspects of public assistance. After many hours of debate and discussion, the Commission recommended that the Federal Government assume full financial responsibility for public assistance (including Medicaid and General Assistance). The recommendation and dissents of several Commission members are submitted along with some explanatory tables and a list of Commission members as of the date the recommendation was adopted.

The Family Assistance Act of 1969, H.R. 14173, now the subject of hearings before your Committee represents a very great step toward the goal recommended by the Commission. For this reason, we thought it would be helpful to provide for the hearing record of your Committee this summary of the intergovernmental fiscal case for Federal assumption of financial responsibility in this key program area.

Vast differences have developed in welfare benefits and eligibility requirements among States. These work in perverse fashion and give rise to intergovernmental inequities. States that provide a higher level of public assistance find their welfare rolls expanding, while States that provide a lower level find their share of caseloads decreasing. Moreover, State policymakers fear that tax increases dictated in large part by rapidly rising welfare costs will tend to exert a locational push on individuals and businesses. In addition, Governors and mayors point out that greater reliance on the regressive State-local revenue system as the source of welfare financing tends to make the rising welfare costs fall heavily on the low and middle income groups. In short, State and local governments are under heavy constraint when it comes to providing adequate welfare assistance.

The postwar migration of the poor from the rural areas to the large urban centers in search of enhanced job opportunities has saddled many of the large metropolitan areas with disproportionate shares of the public assistance caseload, bringing not only spiraling public welfare costs but additional educational, public safety, and other fiscal burdens. Few central cities possess the economic power and fiscal capacity either to compensate for or counteract these trends.

In a number of States, local governments are required to finance a substantial portion of public assistance costs—over 20 percent of the total cost in seven States and in a few States, half or more of the non-federally financed portion. Nonetheless, States—and particularly localities—have only limited policy or administrative control over public assistance programs. Court decisions and Federal regulations have largely removed public assistance policy from State-local control. The recent Supreme Court decision eliminating residence requirements

will increase the welfare caseload. It has eliminated any possibility that the more generous States could use residence requirements to discourage in-migration of individuals destined to go on welfare rolls. Both these impacts will exacerbate the State-local fiscal strain already imposed by public assistance.

In sum, the public assistance problem is national in origin, national in scope, but nonetheless heavily financed by States and localities, the very governments which have the least powers of decision over factors that bear directly on the welfare load.

Federal assumption would free up nearly \$5 billion of State and local revenue. It would (a) benefit most those States and cities where the poor have tended to congregate, (b) reduce tax differentials between the distressed central cities and their more affluent suburbs, and (c) diminish pressures on the regressive local property tax. The Commission recognized that Federal assumption of the cost of existing public assistance programs is not an "ultimate" solution. But until such time as the Congress and others devise a more efficient and appropriate method of welfare administration, Federal financing stands out as the most readily available proposal both to meet a complex problem and to establish a national responsibility and commitment to the poor.

H.R. 14173 would begin the process of eliminating the intergovernmental inequities of the present welfare system. Initially, it would raise welfare payment schedules in those States where they are now woefully inadequate and provide a modicum of fiscal relief to those States with more generous allowances. Hopefully it would set the stage for future relief of States and localities from a fiscal burden which they had no part in creating and no effective way of controlling.

(The material referred to follows:)

#### **RECOMMENDATION NO. 2—NATIONAL GOVERNMENT ASSUMPTION OF FULL FINANCIAL RESPONSIBILITY FOR PUBLIC ASSISTANCE (INCLUDING GENERAL ASSISTANCE AND MEDICAID)**

The Commission concludes that maintaining a properly functioning and responsive public assistance program as presently operating is wholly beyond the severely strained financial capacity of State and local government to support. The Commission therefore recommends that the Federal Government assume full financial responsibility for the provision of public assistance. The Commission further recommends that the States and local governments continue to administer public assistance programs.

The Commission wishes it understood that these recommendations are designed to relieve inequities of resource capacity among the levels of government and apply until such time as Congress and others shall determine a more efficient and appropriate method of welfare administration applicable to the complex social problems of our time.<sup>123</sup>

<sup>1</sup> Congressman Fountain, Congressman Ullman, Senator Knowles and Commissioner McDonald dissented from this recommendation and stated: "The Commission's recommendation that the National Government assume full financial responsibility for public assistance is incompatible with a fundamental premise this country has always operated on—that people in the same community have responsibilities toward their neighbors. By calling for continued State and local administration, it divorces the essential link between the spending and revenue raising responsibilities. Moreover, by simply shifting financial responsibility to the Federal Government, the recommendation does not come to grips with the more fundamental weaknesses in the existing welfare structure—its extremely high administrative costs and unequal treatment of people in like circumstances. We believe it more desirable to give immediate attention to finding better ways of dealing with the poverty problem, rather than attempt to modify existing arrangements for the sake of relieving State and local government of a fiscal burden. We all recognize that State and local governments are in financial difficulties and that changes in financing arrangements must be sought but we do not believe that the solution of this problem can be found in the expedient proposed by the majority with respect to public welfare."

<sup>2</sup> Senator Mundt abstained from voting on this recommendation.

<sup>3</sup> Commission members from the Federal Executive Branch (Secretary Finch, Secretary Romney and Budget Director Mayo) abstained from voting on this recommendation because of insufficient opportunity to review and analyze its implications.

## COMMISSION MEMBERS AS OF APRIL 1969

Dorothy I. Cline  
Alexander Heard  
Farris Bryant  
Florence P. Dwyer  
L. H. Fountain  
Al Ullman  
Sam J. Ervin  
Karl E. Mundt

Edmund S. Muskie  
George Romney  
Robert H. Finch  
Robert P. Mayo  
Nelson A. Rockefeller  
Buford Ellington  
Raymond P. Schafer  
Jesse Unruh

W. Russell Arrington  
Robert P. Knowles  
Jack Maltester  
A. Naftalin  
Richard G. Lugar  
William F. Walsh  
Angus McDonald  
Gladys Spellman  
John F. Dever

TABLE 1.—PUBLIC ASSISTANCE EXPENDITURES, BY SOURCE OF FUNDS, AND MONTHLY PAYMENTS TO OLD-AGE RECIPIENTS AND TO FAMILIES WITH DEPENDENT CHILDREN, 1968  
 [Dollar amounts in thousands, except monthly payments]

State	Expenditures (fiscal year)						Average monthly payments (June)		
	Federal funds		State funds		Local funds		Old-age assistance	Percent	Aid to dependent children (per family)
	Total	Amount	Percent	Amount	Percent	Amount			
United States	\$9,881,060	\$5,244,532	53.1	\$3,295,870	33.4	\$1,340,658	13.6	\$68	\$170
Alabama	134,008	101,905	76.0	31,944	23.8	160	.1	59	64
Alaska	7,492	3,360	44.9	4,132	55.1	—	80	135	135
Arizona	35,026	25,189	71.9	9,768	27.9	68	.2	51	122
Arkansas	90,072	6,200	74.6	22,872	25.4	—	55	79	79
California	1,843,948	921,415	50.0	610,458	33.1	312,074	16.9	100	179
Colorado	106,588	56,679	53.2	37,703	35.4	12,206	11.5	78	151
Connecticut	120,945	54,958	45.4	65,127	53.8	8,860	.7	72	201
Delaware	15,026	9,013	57.8	4,808	30.8	1,765	11.3	63	132
District of Columbia	29,992	16,112	53.7	13,880	46.3	—	75	178	178
Florida	129,632	96,995	74.8	29,705	22.9	2,932	2.3	47	98
Georgia	161,013	123,211	76.5	31,462	19.5	6,340	3.9	52	98
Hawaii	27,993	12,786	45.7	15,207	54.3	—	82	184	184
Idaho	19,839	13,539	68.2	6,285	31.7	4	—	64	177
Illinois	464,638	219,090	47.2	269,228	49.4	16,121	3.5	60	200
Indiana	71,187	37,232	52.3	20,321	28.5	13,635	19.2	47	136
Iowa	95,568	54,358	56.9	30,327	31.7	10,883	11.4	101	191
Kansas	83,266	44,808	53.8	20,250	24.4	18,108	21.7	88	182
Kentucky	138,339	105,423	76.2	32,916	23.8	—	—	54	111
Louisiana	226,039	163,921	72.5	62,118	27.5	—	—	70	104
Maine	33,324	21,308	63.9	9,367	28.1	2,648	7.9	54	110
Maryland	151,662	74,930	49.4	68,237	45.0	8,495	5.6	60	150
Massachusetts	394,465	187,433	47.5	122,776	31.1	84,296	21.4	80	206
Michigan	373,330	175,243	46.9	170,789	45.7	27,298	7.3	67	184
Minnesota	172,479	92,920	53.9	32,164	18.6	47,395	27.5	63	196
Mississippi	68,749	54,051	78.6	14,166	20.6	532	.8	36	35

Missouri	182,588	61,875	33.9	251	6,758	30.9
Montana	120,462	49,8	4,238	19.3	6,758	30.9
Nebraska	21,901	10,906	12,352	28.2	3,970	9.1
Nevada	43,850	27,529	3,768	30.4	1,298	10.5
New Hampshire	12,398	7,331	59.1	23.8	2,791	19.4
New Jersey	14,334	8,144	56.7	28.6	63,439	31.1
New Mexico	210,657	85,042	40.4	60,176	28.7	73
New York	44,694	31,856	71.3	12,838	28.7	54
North Carolina	2,053,580	829,734	40.4	680,811	31.7	573,035
North Dakota	118,671	84,245	71.0	17,379	14.6	14.4
Ohio	24,917	17,098	68.6	5,937	23.8	66
Oklahoma	310,523	158,136	50.9	136,254	43.9	16,134
Oregon	215,822	148,298	68.7	67,229	31.2	295
Pennsylvania	61,102	33,274	54.5	22,169	36.3	5,659
Rhode Island	430,956	215,142	49.9	204,437	47.4	11,376
Rhode Island	56,650	28,190	49.8	28,459	50.2	59
South Carolina	38,510	28,423	73.8	9,799	25.4	288
South Dakota	21,125	14,549	67.9	5,608	26.2	1,267
Tennessee	103,176	77,546	74.9	20,949	20.3	980
Texas	342,493	258,087	75.4	81,438	23.8	2,968
Utah	33,431	21,558	64.5	11,853	35.5	20
Vermont	18,510	12,417	67.1	5,790	31.3	304
Virginia	55,293	35,804	64.8	10,592	19.2	8,897
Washington	146,312	74,045	51.0	71,268	49.0	895
West Virginia	62,161	45,167	72.7	16,100	25.9	41,625
Wisconsin	186,299	101,827	54.7	42,847	23.0	1,504
Wyoming	7,872	4,258	54.1	2,110	26.8	19.1
Other areas 1	68,733	32,682	47.5	29,865	43.5	6,186
						9.0
						21

<sup>1</sup> Includes Guam, Virgin Islands, and Puerto Rico.

Note: Expenditures include vendor payments for medical care made under all public assistance programs and expenditures for administration, services, and training. Average monthly payments

exclude vendor payments for medical care and cases receiving only such payments.

Source: Department of Health, Education, and Welfare, Social and Rehabilitation Service.

TABLE 2.—STATE AND LOCAL EXPENDITURE FOR PUBLIC ASSISTANCE FROM OWN REVENUE SOURCES AS A PERCENT OF STATE PERSONAL INCOME, 1958 AND 1968

State and region	1968	1958	Percent increase or decrease
United States.....	0.74	0.52	42.3
New England.....	.82	.68	20.6
Maine <sup>1</sup> .....	.46	.55	-16.4
New Hampshire <sup>1</sup> .....	.29	.44	-34.1
Vermont <sup>1</sup> .....	.51	.48	6.3
Massachusetts <sup>1</sup> .....	1.08	.86	25.6
Rhode Island <sup>1</sup> .....	.93	.68	36.8
Connecticut <sup>1</sup> .....	.57	.50	14.0
Mideast.....	1.11	.41	170.7
New York <sup>1</sup> .....	1.78	.54	229.6
New Jersey.....	.49	.26	88.5
Pennsylvania <sup>1</sup> .....	.58	.35	65.7
Delaware <sup>1</sup> .....	.37	.27	37.0
Maryland <sup>1</sup> .....	.61	.17	258.8
District of Columbia.....	.42	.28	50.0
Great Lakes.....	.54	.52	3.8
Michigan <sup>1</sup> .....	.68	.69	-1.4
Ohio <sup>1</sup> .....	.45	.47	-4.3
Indiana.....	.21	.29	-27.6
Illinois <sup>1</sup> .....	.60	.53	13.2
Wisconsin <sup>1</sup> .....	.64	.56	14.3
Plains.....	.52	.56	-7.1
Minnesota <sup>1</sup> .....	.72	.73	-1.4
Iowa <sup>1</sup> .....	.48	.54	-11.1
Missouri.....	.45	.56	-19.6
North Dakota.....	.50	.68	-26.5
South Dakota.....	.40	.55	-27.3
Nebraska <sup>1</sup> .....	.36	.33	9.1
Kansas <sup>1</sup> .....	.55	.50	10.0
Southeast.....	.32	.39	-17.9
Virginia.....	.15	.11	36.4
West Virginia <sup>1</sup> .....	.41	.38	7.9
Kentucky <sup>1</sup> .....	.43	.34	26.5
Tennessee.....	.28	.28	-
North Carolina.....	.28	.30	-6.7
South Carolina.....	.17	.28	-39.3
Georgia.....	.33	.43	-23.3
Florida.....	.19	.31	-38.7
Alabama.....	.42	.41	2.4
Mississippi.....	.34	.43	-20.9
Louisiana <sup>1</sup> .....	.69	1.12	-38.4
Arkansas.....	.56	.54	3.7
Southwest.....	.40	.45	-11.1
Oklahoma <sup>1</sup> .....	1.03	1.18	-12.7
Texas <sup>1</sup> .....	.28	.30	-6.7
New Mexico <sup>1</sup> .....	.52	.37	40.5
Arizona.....	.23	.32	-28.1
Rocky Mountain.....	.61	.82	-25.6
Montana <sup>1</sup> .....	.57	.58	-1.7
Idaho <sup>1</sup> .....	.33	.43	-23.3
Wyoming <sup>1</sup> .....	.42	.44	-4.5
Colorado.....	.81	1.28	-36.7
Utah <sup>1</sup> .....	.45	.52	-13.5
Far West <sup>2</sup> .....	1.16	.76	52.6
Washington <sup>1</sup> .....	.65	1.09	-40.4
Oregon <sup>1</sup> .....	.46	.64	-28.1
Nevada <sup>1</sup> .....	.31	.28	10.7
California <sup>1</sup> .....	1.31	.73	79.5
Alaska.....	.39	.38	2.6
Hawaii <sup>1</sup> .....	.62	.34	82.4

<sup>1</sup> Medicaid program fully operative during fiscal 1968.<sup>2</sup> Excluding Alaska and Hawaii.

Note: The 1968 percentages are fiscal year 1968 public assistance expenditures related to calendar year 1967 State personal income; for 1958, both expenditures and income are for calendar year 1958.

Source: Department of Health, Education, and Welfare, Social and Rehabilitation Service; and U.S. Department of Commerce, Office of Business Economics, Survey of Current Business, August 1968.

TABLE 3.—CITY SHARE OF STATE POPULATION AND PUBLIC ASSISTANCE RECIPIENTS FOR SELECTED CITIES, 1956 AND 1966<sup>1</sup>

City and item	1956	1966	Percent change, 1956 to 1966
New York City:			
Population	49.6	44.2	-10.9
Total P.A. recipients	67.3	70.2	+4.3
A.F.D.C. recipients	74.0	71.7	-3.1
Philadelphia:			
Population	18.6	17.8	-4.3
Total P.A. recipients	26.1	29.6	+13.4
A.F.D.C. recipients	29.4	32.8	+11.6
Baltimore:			
Population	35.1	26.8	-23.6
Total P.A. recipients	64.3	66.4	+3.3
A.F.D.C. recipients	68.4	71.2	+4.1
Boston:			
Population	17.2	13.6	-20.9
Total P.A. recipients	20.3	32.0	+13.1
A.F.D.C. recipients	36.4	38.4	+5.5
San Francisco:			
Population	5.9	3.9	-33.9
Total P.A. recipients	5.4	4.9	-9.3
A.F.D.C. recipients	5.0	4.6	-8.0
St. Louis:			
Population	19.4	15.5	-20.1
Total P.A. recipients	16.4	25.5	+55.5
A.F.D.C. recipients	24.6	37.1	+50.8
Denver:			
Population	29.7	25.1	-15.5
Total P.A. recipients	35.8	34.5	-3.6
A.F.D.C. recipients	41.2	43.2	+4.9
Norfolk:			
Population	7.1	7.0	-1.4
Total P.A. recipients	8.4	10.2	+21.4
A.F.D.C. recipients	9.5	11.6	+22.1
Richmond:			
Population	7.6	4.9	-35.5
Total P.A. recipients	14.6	15.2	+4.1
A.F.D.C. recipients	17.2	17.1	-0.6
Alexandria:			
Population	2.1	2.4	+14.3
Total P.A. recipients	1.1	0.7	-36.4
A.F.D.C. recipients	1.0	0.5	-50.0
Roanoke:			
Population	2.6	2.2	-15.4
Total P.A. recipients	4.1	3.9	-4.9
A.F.D.C. recipients	4.7	4.4	-6.4

Population data are for July 1955, and July 1965; recipient data for June 1956 and June 1966.

Source: U.S. Bureau of the Census, "Current Population Reports," Series P-25; and Department of Health, Education, and Welfare, Welfare Administration; various issues of "Welfare in Review," and unpublished data.

TABLE 5.—TOTAL PUBLIC ASSISTANCE EXPENDITURES, BY SOURCE OF FUNDS, AND RECIPIENTS AND MONTHLY PAYMENTS FOR SELECTED PROGRAMS, SELECTED YEARS 1950-68  
 [Dollar amounts in millions, except monthly money payments]

Item	1968	1965	1960	1955	1950
Expenditures for year, total.....	\$9,881	\$5,868	\$4,039	\$2,940	\$2,489
By source:					
Federal.....	\$5,245	\$3,179	\$2,055	\$1,441	\$1,096
Percent	53.1	54.2	50.9	49	44
State.....	\$3,296	\$1,958	\$1,459	\$1,110	\$1,128
Percent	33.4	33.4	36.1	37.8	45.3
Local.....	\$1,341	\$732	\$525	\$389	\$265
Percent	13.6	12.5	13.0	13.2	10.6
Selected programs:					
Old-age assistance.....	\$1,991	\$2,179	\$2,015	\$1,686	\$1,511
Aid to families with dependent children <sup>1</sup> .....	3,007	1,991	1,131	684	560
Medical assistance <sup>2</sup> .....	3,408				
General assistance.....	535	454	491	330	363
Number of recipients of money payments <sup>3</sup> (in thousands):					
Old-age assistance.....	2,019	2,087	2,305	2,538	2,786
Aid to families with dependent children <sup>1</sup> .....	5,609	4,396	3,073	2,238	2,233
General assistance (cases).....	356	310	431	314	413
Average monthly money payments: <sup>3</sup>					
Old-age assistance.....	\$68	\$63	\$58	\$50	\$43
Aid to families with dependent children.....	170	137	105	86	71
General assistance (per case).....	93	69	67	55	47

<sup>1</sup> Includes the children and/or both parents, or caretaker other than a parent in families where the needs of such adults were considered in determining the amount of assistance.

<sup>2</sup> Prior to the enactment of medicaid, medical and hospital vendor payments were included in the basic categorical programs.

<sup>3</sup> As of December, except 1968 as of June.

Note: Beginning October 1950, includes Puerto Rico and Virgin Islands, and beginning 1960, Guam. Number of recipients and average monthly payments exclude vendor payments for medical care (i.e., payments made directly to suppliers of medical care) and cases receiving only such payments. Total expenditures for year include vendor payments for medical care and expenditures for administration, services, and training.

Source: Department of Health, Education, and Welfare, Social and Rehabilitation Service.

TABLE 6.—INTERSTATE VARIATIONS IN AVERAGE MONTHLY PAYMENT PER RECIPIENT FOR PUBLIC WELFARE PROGRAMS, DECEMBER 1968

Average monthly payment for an individual recipient	Old-age assistance	Aid to the blind <sup>1</sup>	Aid to the permanently and totally disabled <sup>2</sup>	Aid to families with dependent children	General assistance <sup>2</sup>
United States average.....	\$69.50	\$92.15	\$82.55	\$42.00	\$44.70
Number of States <sup>4</sup>					
\$0.00 to \$9.99.....				1	2
\$10.00 to \$19.99.....				4	10
\$20.00 to \$29.99.....				9	9
\$30.00 to \$39.99.....	1			16	7
\$40.00 to \$49.99.....	6	1	2	15	6
\$50.00 to \$59.99.....	11	3	5	3	4
\$60.00 to \$69.99.....	16	6	13	3	2
\$70.00 to \$79.99.....	9	13	10		
\$80.00 to \$89.99.....	3	14	8		
\$90.00 to \$99.00.....	2	4	4		
\$100.00 to \$109.00.....	2	2	3		
\$110.00 to \$119.00.....	1	6	3		
\$120.00 to \$129.00.....				1	
\$130.00 to \$139.00.....				1	
\$140.00 to \$149.00.....	1				

<sup>1</sup> Column total of States excludes Wyoming where there were fewer than 50 recipients.

<sup>2</sup> Column total of States excludes Nevada.

<sup>3</sup> Column total of States excludes States not operating such programs or where data was not available.

<sup>4</sup> Includes the District of Columbia.

Source: U.S. Department of Health, Education, and Welfare, "Social Security Bulletin," Apr. 1, 1969, table M-24.

## APPENDIX

TABLE 7.—STATE ADMINISTRATIVE PRACTICES AND LOCAL FINANCIAL PARTICIPATION IN PUBLIC WELFARE PROGRAMS, JUNE 30, 1968

State	Percent local finance	State	Percent local finance	State	Percent local finance
<b>State administrative approach:</b>					
Alaska	0	Nevada	5.7	Georgia	3.4
Arizona	0	New Hampshire	18.0	Indiana	15.7
Arkansas	0	New Mexico	0	Iowa	10.2
Connecticut	0	Oklahoma	0	Kansas	22.8
Delaware	9.1	Pennsylvania	3.2	Maryland	6.2
District of Columbia	0	Puerto Rico	0	Minnesota	19.4
Florida	0	Rhode Island	0	Montana	12.3
Guam	0	South Dakota	0	Nebraska	10.5
Hawaii	0	Tennessee	4.6	New Jersey	24.0
Idaho	.8	Texas	0	New York	25.7
Illinois	0	Utah	0	North Carolina	12.7
Kentucky	0	Vermont	7.0	North Dakota	4.7
Louisiana	0	Virgin Islands	0	Ohio	2.5
Maine	3.6	Washington	0	Oregon	13.0
Massachusetts <sup>1</sup>	18.0	West Virginia	0	South Carolina	0
Michigan	1.5	Alabama	(2)	Virginia	9.9
Mississippi	0	California	14.0	Wisconsin	17.9
Missouri	0	Colorado	7.0	Wyoming	24.4

<sup>1</sup> Under legislation enacted in 1967, all programs in Massachusetts will become State administered as of July 1, 1968.

<sup>2</sup> Less than 0.05 percent.

Source: Report of the Joint Legislative Committee to Revise the Social Welfare Law of New York State, Legislative Documents (1969), No. 9, p. 128.

## WRITTEN STATEMENT OF E. A. JAENKE, GOVERNOR, FARM CREDIT ADMINISTRATION

**PROPOSAL: TO PROVIDE HOSPITAL INSURANCE BENEFITS UNDER MEDICARE FOR THOSE EMPLOYEES AND RETIREES OF THE FARM CREDIT BANKS WHO ARE NOT ENTITLED TO SUCH BENEFITS AT AGE 65 BECAUSE THEIR EMPLOYMENT WITH SUCH BANKS IS COVERED UNDER THE CIVIL SERVICE RETIREMENT ACT AND THUS IS NOT EMPLOYMENT FOR SOCIAL SECURITY PURPOSES**

### SUMMARY

The statement proposes that consideration be given to providing hospital insurance benefits under medicare for those employees and retirees of the 37 Farm Credit Banks (12 Federal land banks, 12 Federal intermediate credit banks, 13 banks for cooperatives) who are not now entitled to such benefits at age 65 because their employment with such banks is covered under the Civil Service Retirement Act and thus is not employment for social security purposes. This is a diminishing group (now about 630 employees and 160 retirees), since the employment of individuals coming with the Farm Credit Banks after 1959 is generally covered under the Social Security Act, instead of the Civil Service Retirement Act, and thus entitles them to hospital insurance benefits under medicare at age 65. Inasmuch as the employees and retirees not now entitled to such benefits are specifically excluded from any comparable benefits under both the Federal Employees Health Benefits Act of 1959 and the Retired Federal Employees Health Benefits Act, which are generally available to Federal personnel covered under the Civil Service Retirement Act, and since their status otherwise is intended to be private rather than Federal, it is deemed indicated that this group should be made entitled to the hospital insurance benefits under medicare at age 65. In compensation for such benefits, the Farm Credit Banks and the employees, as respects the members of the group who are still employed, might be subjected to the corresponding hospital insurance taxes.

### PRELIMINARY

This statement is submitted on behalf of the Federal Farm Credit Board, which sets policy for the Farm Credit Administration, and on behalf of the 37 farm credit banks (12 Federal land banks, 12 Federal intermediate credit banks, 13 banks for cooperatives), which are established under Acts of Congress to make loans to farmers and their organizations and operate under the supervision of the Farm Credit Administration. Insofar as the hearings were announced to include "any proposals relating to the medical provisions of the Social Security Act, including both medicaid and medicare", it is proposed that consideration be given to providing hospital insurance benefits under medicare for those employees and retirees of the farm credit banks who are not now entitled to such benefits at age 65 because their employment with such banks is covered under the Civil Service Retirement Act and thus is not employment for social security purposes. Further explanation and justification of the proposal may be found in what now follows, after which technical amendments are suggested to accomplish the proposal.

### EXPLANATION AND JUSTIFICATION

The hospital insurance benefits under medicare at age 65, as sometimes mentioned herein, are those first provided for in 1965 by Part

A (Hospital Insurance Benefits for the Aged) of Title XVIII of the Social Security Act.<sup>1</sup> Entitlement to such hospital insurance benefits is as specified in section 226(a) of the Social Security Act<sup>2</sup> which also was added in 1965. So far as we are now concerned, entitlement to such hospital insurance benefits is dependent on the individual being entitled to monthly social security insurance benefits, which, in turn, is dependent on the individual having the specified social security coverage in "employment" as defined in section 210 of the Social Security Act. In effect, therefore, employment under the Social Security Act determines entitlement to hospital insurance benefits under medicare at age 65; and such employment does not include service covered by the Civil Service Retirement Act.<sup>3</sup>

The 37 farm credit banks (12 Federal land banks, 12 Federal intermediate credit banks, 13 banks for cooperatives) have about 1,800 employees, of whom about 700 presently are covered under the Civil Service Retirement Act and about 1,100 are covered under the Social Security Act. Accordingly, entitlement to hospital insurance benefits under medicare at age 65 exists for the employees covered under the Social Security Act but not for the employees covered under the Civil Service Act, although some of the employees in the latter group have had employment outside of the farm credit banks which entitles them to the hospital insurance benefits. A recent survey indicates that there are about 630 employees and 160 retirees of the Farm Credit Banks whose employment of any type does not entitle them to such hospital insurance benefits.

For many years, by ruling of the Civil Service Commission, effective in 1942, the Civil Service Retirement Act was generally applicable to employment in the farm credit banks. However, with the transition of the farm credit banks from Government to private ownership, and from Government appointment of their directors to election of such directors by the borrowers from the banks, a shift to private status for the employees of the banks was also deemed appropriate. To accomplish the transition in this respect, the Farm Credit Act of 1959 provided that service with the farm credit banks covered by the Civil Service Retirement Act should be limited to service performed before 1960; and to service performed since then by employees who were covered by the Civil Service Retirement Act on December 31, 1959.<sup>4</sup> The service of other employees coming with the farm credit banks after that date generally will be covered under social security and not under the Civil Service Retirement Act. Eventually, this will be so for all employees of the farm credit banks. For the transition period, though, there will be service with the Farm Credit Banks that will not be covered by social security and so will not entitle the employees to the hospital insurance benefits under medicare at age 65.

<sup>1</sup> 42 U.S.C. 1395c and following (Supp. IV, 1969); Title XVIII of the Social Security Act was added by the Health Insurance for the Aged Act (Public Law 89-97, approved July 30, 1965, 79 Stat. 290).

<sup>2</sup> 42 U.S.C. 426(a) (Supp. IV, 1969).

<sup>3</sup> 42 U.S.C. 410(a)(6)(A).

<sup>4</sup> See 73 Stat. 388 "(e)", 12 U.S.C. 6407(e).

Subsequent to the Farm Credit Act of 1959, Congress provided certain health benefits for Federal employees and retirees whose service is covered under the Civil Service Retirement Act. However, consistently with the transition of the farm credit bank employees from the Civil Service Retirement Act to private status, all farm credit bank employees were specifically excluded from any comparable benefits under both the Federal Employees Health Benefits Act of 1959<sup>5</sup> and the Retired Federal Employees Health Benefits Act.<sup>6</sup> In any event, now that hospital insurance benefits under medicare at age 65, as first provided for in 1965, are available for private employment generally, it is considered that such benefits should also be made available for farm credit bank employment generally. This would be in furtherance of the transition to private status and would result in similar treatment in this respect for all of the farm credit bank employees.

Entitlement to health insurance benefits under medicare at age 65 for the farm credit bank employees not now entitled thereto could be provided by amending the Social Security Act to specify that service covered by the Civil Service Retirement Act that is performed in the employ of a Federal land bank, a Federal intermediate credit bank, or a bank for cooperatives shall qualify the individuals solely for such health insurance benefits, but without qualifying them for social security benefits generally. If deemed necessary, the service which so qualifies might be limited to service since the social security program was first provided for in 1935. Further, in compensation for such hospital insurance benefits, the farm credit banks and the employees, as respects the members of the group who are still employed, might be subjected to the corresponding hospital insurance taxes.

Even though a similar change is not to be made for Federal employees generally, there is reason to do so for the Farm Credit Bank group because they are excluded from the Health Benefits Acts<sup>7</sup> applicable to Federal employees generally.

#### TECHNICAL AMENDMENTS

##### *As to hospital insurance benefits*

The basic entitlement to hospital insurance benefits under medicare is specified in section 226 of the Social Security Act, as follows (79 Stat. 290, 42 U.S.C. 426 (a) (Supp. IV, 1969)):

#### ENTITLEMENT TO HOSPITAL INSURANCE BENEFITS

SEC. 226. (a) Every individual who—

(1) has attained the age of 65, and

(2) is entitled to monthly insurance benefits under section 202

or is a qualified railroad retirement beneficiary,

shall be entitled to hospital insurance benefits under part A of title XVIII \*\*\*

<sup>5</sup> § 2(a), Public Law 86-382, approved September 28, 1959, 73 Stat. 709, 5 U.S.C. (1964 ed.) 3001(a), now codified as 5 U.S.C. 8901(1)(i) by Public Law 89-554, approved September 6, 1966; the current exclusion is as to "an employee of a corporation supervised by the Farm Credit Administration if private interests elect or appoint a member of the board of directors".

<sup>6</sup> § 2(3), Public Law 86-724, approved September 8, 1960, 74 Stat. 849, 5 U.S.C. (1964 ed.) 3051(3).

<sup>7</sup> See <sup>5</sup> and <sup>6</sup>.

Generally, one of the requirements to be "entitled to monthly insurance benefits under section 202", is that an individual have the specified social security coverage in "employment" as defined in section 210 of the Social Security Act. Under that definition, the term "employment" does not include (§ 210 (a) (6) (A), 42 U.S.C. 410 (a) (6) (A)):

(6)(A) Service performed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is covered by a retirement system established by a law of the United States;

This has the effect of excluding from social security coverage, service performed in the employ of a Federal land bank, a Federal intermediate credit bank, or a bank for cooperatives, if such service is covered by the Civil Service Retirement Act. It follows, therefore, that such service does not provide entitlement to hospital insurance benefits. Amendment A is drafted to provide such entitlement.

#### AMENDMENT A

Amend paragraph (2) of subsection (a) of section 226 of the Social Security Act (42 U.S.C. 426 (Supp. IV, 1969)) by inserting "(A)" after "(2)" at the beginning thereof and by inserting the following immediately before the comma at the end thereof:

or (B) would be entitled to monthly insurance benefits under section 202 if service covered by the Civil Service Retirement Act that is performed in the employ of a Federal land bank, a Federal intermediate credit bank, or a bank for cooperatives constituted employment as defined for the purposes of title II of the Social Security Act

**NOTE.**—The foregoing presumably would entitle to the hospital insurance benefits under medicare, not only the Farm Credit Bank employees, but also their dependents, to the extent that dependents are so entitled under social security generally.

#### *As to hospital insurance taxes*

At the same time that Congress provided for hospital insurance benefits under medicare, it also amended the Internal Revenue Code to provide for hospital insurance taxes, to be paid by both employers and employees, in addition to the social security taxes payable by them. For the years indicated, the hospital insurance taxes are as follows, to be paid at the same rate by both the employer and the employee on wages of \$7,800, as presently specified for 1968 and thereafter:

	Percent
1968-72 -----	0.60
1973-75 -----	0.65
1976-79 -----	0.70
1980-86 -----	0.80
1987 and after -----	0.90

The foregoing hospital insurance taxes are specified in sections 3101 (b) (as to employees) and 3111(b) (as to employers) of the Internal Revenue Code (26 U.S.C. (Supp. IV, 1969)). Both are payable with respect to "employment" as defined in section 3121(b) of the Internal Revenue Code, which definition is like that in the Social Security Act (42 U.S.C. 410(a)). As already noted as to the Social Security Act, the definition under the Internal Revenue Code also does not include (26 U.S.C. 3121(b) (6) (A)):

(6) (A) service performed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is covered by a retirement system established by a law of the United States;

To now render the hospital insurance taxes payable with respect to employment in the Farm Credit Banks that is covered by the Civil Service Retirement Act, if deemed necessary, the following amendment may be for consideration.

AMENDMENT B

Amend paragraph (A) of subsection (b) (6) of section 3121 of the Internal Revenue Code by inserting the following immediately before the semicolon at the end thereof:

, except that solely for the purposes of the tax payable under sections 3101(b) and 3111(b) the exclusion made by this paragraph (A) shall not include service covered by the Civil Service Retirement Act that is performed in the employ of a Federal land bank, a Federal intermediate credit bank, or a bank for cooperatives



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